
Instruments of Marketing and Credit Support of the Large Industrial Enterprises Development: International Experience

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Abstract:

Instruments of marketing management and techniques of credit support should be aimed at providing sustainable development of large industrial enterprises as well as at creation of effective systems of corporate governance on the basis of integration of service and knowledge-based technologies.

Development of industrial technologies and modernization of financial services assumes formation and improvement of adaptable marketing model of technological development of the industrial policy. It is also considered to be aimed at technological development of large industrial companies which demand of credit and finance and organizational support in current economic, institutional and geopolitical context in Russia.

Key Words: *Finance and credit policy, large industrial companies, financial economy, «new economy», corporate governance, marketing management.*

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1. Introduction

Modern development of Russian economy is characterized by unstable and risk-related character, shaping process of institutional transformation in new historical, geopolitical, scientific and technological, national and cultural conditions. Under the conditions of financial globalization the level of the economic system development depends on the scale of the threat it is facing with. Each country tries to find its own balance: between the level of social development, financial sovereignty, identification instruments, risk assessment and management, methods of capital integration and national business development.

Global economy strengthens the differentiation of development levels of various countries, especially those which are developing according to the model of catch-up modernization, to which Russia belongs. The development model of Russian economy demonstrates weakness in marketing management and information and financial methods of control. This negatively affects the industrial policy vector.

In modern global economic system the tension between two divergent spheres of economic activity is growing: financial and nonfinancial, related with new industrial economy, neo-economics, based on knowledge, network communications and the newest technologies. The two formats of development of modern global economy in the conditions of turbulence are very dependent on each other, so the marketing management system should reduce the risk of this dependence and strengthen positive potential of the interaction.

2. Theoretical, Informational and Empirical, and Methodological Grounds of the Research

Theoretical and methodological basis of the research is the ideas of management theory, government regulation, “new economy” fundamental concepts, financial globalization, institutional analysis, project management of innovation and investment activity, represented in classic and modern researches of economists, based on the system and functional approach to the study of large companies development laws (Averina *et al.*, 2016; Breckova, 2016; Budik and Schlossberger, 2015; Carstina *et al.*, 2015; Kormishkin *et al.*, 2016; Epifanova *et al.*, 2015).

The most important factor in creating a comfortable investment climate is the state of financial markets and the size of financial companies’ assets (Ivanova and Bikeeva, 2016). A financial company in conditions of global economy acts as an integrated financial actor in the operation of which the financial components (financial resources, instruments and techniques) are involved not indirectly, but directly, representing a complex high liquid product as the result of this interaction. In the global economy the main marketing management instruments have mostly communication, information and

network character, at the same time, as determined by Russian scientists, the sociality of economic interactions itself is not considered as the impact of external factors on the developing economic system, but defines “a set of new institutional and network interactions of economic agents” (Chekmarev, 2004; Savina, 2016; Novokreshchenova *et al.*, 2016).

The scientists consider the global economy as the basis for the domination of actors based on influence through the application of capital and technology (Thalassinos *et al.*, 2012; 2014; 2015; Keisidou *et al.*, 2013). It is these instruments that allow the global economy actors establishing dominant influence on other participants. In his famous work the MSU professor Osipov Yu. M. determines that currently “global financial authority is being established over the entire economy” (Osipov, 2004). With the use of global technologies the transnational financial corporation’s aim is to establish their own control over large and profitable companies, which are the operators of the local markets. The strategy of integration and “involving” of the most valuable resources, conducted by global market players, is oriented, according to professor Markov S.A., first of all, on the dominance of high-tech and financially stable players of the global market (Markov, 2007).

For developed countries the problem of financial globalization is associated with the objective need to create institutions and mechanisms of influence on activity of the actors, producing new technologies and financial flows. The countries with path dependence development can only borrow the already established institutions and techniques of financial products and services production and promotion (Firescu and Popescu, 2015). Developed countries have always been interested in integrating the countries with catch-up development in organizations, forming a definite institutional order in the global financial space, despite the fact that the regulators themselves in the last few years have had serious problems with instruments, techniques and concepts of management (Andreeva, 2009).

The widespread use of techniques of copying the forms and instruments of the global financial operators interaction can be considered as the reason of the system risks appearance in the financial market; especially that the fact of such copying itself was “imposed” by global financial institutions. Professional knowledge, clearly structured forms of interaction and innovative financial products, and not only investment in financial assets, could bring into action and support the institutional mechanism of the financial market development (Andreeva, 2008).

In our opinion an important condition of such mechanism implementation is the institutional innovations system, integrated with financial institutions, providing competitive stability of national financial companies, banks on the basis of transparent technologies, as well as facilitating the order of processing the obligations between economic agents of the financial services market.

The growing openness of Russian economics is the basis for the “new economy” formation, but the integration into the global economic system brings not only significant benefits but also the risks associated with the problems of global competition.

3. Results

The economic recession in Russia has been going on for more than two years, in spite of the stabilization of some indicators, therefore effective measures of marketing and credit support of large industrial enterprises development are required. These measures should form the basis of industrial policy mechanism. Otherwise the Russian economy can face new risks. Preliminary data of assessment of the vector of development show that after recession the economy entered into stagnation. Alexey Ulyukayev, a Minister of Economic Affairs in the interview with the journalists of the media holding PJSC “RBC” in the course of the Eastern Economic Forum noted that the stagnation in the Russian economy “can last for several years, if not to take special measures and to introduce reforms” (Ulyukayev, 2016).

Considerably high inflation, excessive regulation and dominance of state-owned companies and weak protection of property rights - these are the factors that lead to reduction of labor efficiency and growth of costs in Russia. According to the IMF, the average inflation for 2005-2013 was 10.7%, prices rose more only in the Ukraine and Venezuela. The share of state-owned companies in certain sectors of the Russian economy is up to 80%, it is higher only in the UAE (88%) and China (up to 96%). In terms of ease of doing business Russia moved to 51st place in the list of Doing Business 2016 of the World Bank (Doing Business, 2016).

Vladimir Putin, the president of the Russian Federation, at the opening meeting of G20 summit, held at the beginning of September 2016 in China, defined the factors of stabilization in the Russian economy, related to preservation of reserves and reduction of dynamics of capital outflows. This dynamics, as compared to 2015, “shortened by 5 times, and what is more the inflation reduced by 2 times, and the budget deficit it was 2.6%” (Chevtaeva, 2016).

Currently Russia is experiencing a slight increase in industrial production and other indicators. The Russian Federation government plans to continue work on reducing budget deficit, dependence of the budget revenues on hydrocarbon export, as well as implementation of reasonable policy on ensuring macroeconomic stability and improving the business climate. In addition the International Monetary Fund (IMF) has improved the forecast of Russian GDP dynamics for 2016 by 0.3 percentage points (to recession by about 1.2%). According to the IMF forecast for 2017 Russian economy should emerge from recession, with growth of the economy can reach 1%. IMF experts also confirmed the forecast for the midterm, according to which the Russian economy will grow annually by 1.5% (IMF, 2016).

The international rating agency S&P Global Ratings changed the forecast of long-term Russian ratings from “negative” to “stable”. The change of forecast is related to the fact that external risks, influencing development of the Russian economy, reduced. S&P Global Ratings agency experts predict that monetary policy of the country will be adjusted in the conditions of low oil prices, and the Russian Federation will maintain a strong net position on external assets and moderate net debt load in 2016-2019 (Prokopenko, 2016).

The agency S&P Global Ratings has also confirmed the long-term rating of Russia on liabilities in foreign currency at BB+ level, local currency BBB, and kept short-term ratings on liabilities in foreign and local currency at B/A-3 level. The adopted decision, related with the sovereign rating forecast improvement, was the first positive assessment of the international rating agencies from September 2010. This decision reflects the objective process of finishing of the Russian economy adaptation to the changed external conditions.

Sovereign ratings will return to investment values, thanks to the budget consolidation program, planned for the next three-year period and the establishment of new budget rules, which will ensure the independence of the Russian economy on the raw materials market fluctuations. S&P experts can improve sovereign ratings in case of financial stability strengthening and improvement of economic growth perspectives.

According to the basic scenario of the international rating agency S&P forecast the economic sanctions against the country, adopted by the USA, EU and some other countries in 2014, will remain in force for the forecast horizon (2016-2019). However the absence of sanctions against the Russian Federation as a sovereign eminent allowed placing Eurobonds for \$ 1.75 billion at the end of May 2016. Russia will be able to borrow on foreign or domestic markets to finance the budget deficit. According to the S&P forecasts net debt of the Russian government will rise to 13% by 2019. Standard & Poor's (S&P) experts note that currently the dynamics of the Russian economy development, respectively, and the implemented monetary policy will be adjusted depending on the oil price. Currently, Standard & Poor's analysts improved the forecast of Russia to “stable”, according to the dynamics of oil prices. According to S&P forecast, after 1% recession in 2016 Russian GDP will grow by 1.4-1.7% in 2017-2019. By 2020 GDP per capita will be slightly below the level of 2010, i.e. 10 years will be lost. Growth of world oil prices, as well as ease of sanctions can significantly improve the perspectives for the Russian economy development (S&P).

Currently only Fitch Ratings support the rating of Russia on the last stage of investment level (BBB-) out of three international rating agencies. Excessive inflation expectations induced the Bank of Russia to announce the key rate fixation. Currently decrease was from 10.5% to 10%. The central bank pointed out that the rate will remain at this level until I-II quarter of 2017. In 2016 there are still two

meetings of the Central Bank Board of Directors and in spite of the fact that the Bank of Russia does not exclude the possibility of reducing the rate on one of them, but such possibility is very small, said Elvira Nabiullina, the Central Bank chairman (Nabiullina, 2016).

It is important to note that the Central Bank as a macro-regulator explained the purposes and tasks of the institutional mechanism of monetary policy everywhere in the world (Thalassinos *et al.*, 2014; Thalassinos *et al.*, 2013; Thalassinos *et al.*, 2012). The Central Bank Board of Directors defined the basic parameters of placing coupon bonds of the Bank of Russia (BBR). The repayment terms can be 3, 6 and 12 months, coupon period 3 month, the rate is equal to the Central Bank key rate. The Central Bank will adopt decisions on emissions as needed, focusing rather on stability of the liquidity surplus than on its volume. If the Russian Federation budget will spend funds according to the planned scheme, a structural surplus can be formed in the financial system in 2017.

Considering the Bank of Russia forecast of 5.5-6% inflation in 2016, this decision means that the real interest rate will increase by the end of the year to 4-4.5%, and to 5.5% as compared to the inflation, expected by the central bank in a year, in September 2017. To fix inflation expectations the regulator will maintain the difference between inflation and interest rate in the amount of 2.5-3%. Such a high real rate of the Central Bank is an intended vector of the monetary policy. According to Elvira Nabiullina, the gap will be reduced gradually, along with inflation expectations.

According to the Central Bank, a record outflow of the capital from the Russian Federation was in 2014, when more than \$150 billion were taken out of the country. In 2015 the capital outflow amounted to \$56.6 billion. However the Russian economy is still in recession currently. The condition for emerging from the recession is the increase in the investment activity of economic agents, which is currently at a low level. Low investment activity of the Russian economy agents is connected with limited resources.

It is important to note that the Russian state and private companies have really little resources for development, which determines the need to stimulate the flow of capital in industrial production. Russia should gradually move away from natural resources dependence, stimulate import substitution in different industries using the decreased ruble. However the raw materials sector shows the best results and most of other sectors of the Russian economy are in stagnation. Since the beginning of 2014 only three sectors showed growth: extraction of minerals, households (unincorporated family businesses, individual entrepreneurs, etc.), as well as agriculture, to which food countersanctions, taken by the Russian Federation, helped. Services industries directly dependent on the demand of the population: the wholesale and retail, hotels and restaurants experience a difficult situation.

Low dynamics of renewal the manufacturing growth, gain in whose production in July 2016 was negative again, can create a risk of deindustrialization of the Russian economy, shrunk during the recession. Despite the provision of support instruments the Russian economy is moving not in the direction of new variety of industries development, relying on strong domestic demand and investment, but in the opposite direction. This trend can be broken due to the goods production (in addition to raw materials), which will be able to replace imports and be exported. High uncertainty and volatility of the markets, limiting economic activity of large industrial enterprises, does not allow the Russian economy returning to sustainable growth.

In this regard financial, credit and marketing instruments, ensuring trust of business to the government and supporting growth of economic, are necessary. It is important to define among these instruments first of all the supporting and expansionary ones as well as factors, stimulating the flow of capital.

The main factors, ensuring capital inflows, are as follows: small amount of external debt, high interest rates on the public debt market with the continued ruble attractiveness, favorable oil price in the international market and positive dynamics of Russian companies' profit. This is the capital inflow that contributed to the stabilization of the Russian currency exchange rate and prevented ruble from falling. Hans-Paul Bürkner, the head of Boston Consulting Group (BCG) said in an interview to Rambler News Service that a very active economic growth was expected in Russia (Hans-Paul Buerkner). Hans-Paul Bürkner notes that the pace of the Russian economy growth may reach 5% in the next five years, and the growth of economy can be expected in 2017. According to the conclusions of BCG head, falling of prices for energy sources and ruble devaluation will become a factor of moving from the oil and gas dependence of the Russian economy (Hans-Paul Buerkner).

Hans-Paul Bürkner defines a large spare capacity for the development of domestic consumption as the factors of the Russian economic growth. According to expert's opinion, the inflow of investment into the Russian economy will be increased in case of sanctions cancellation and in connection with the beginning of the Russian economy growth. Despite the fact that falling of oil prices and sectoral sanctions, introduced against Russia, had negative impact on the growth of the Russian economy, these factors have led to the development of crisis management programs in the financial and credit sector and in industry, as well as to the beginning of economic processes modernization. The Economist magazine notes that Russian ruble fell into the list of the most undervalued world currencies (The Big Mac index). Earlier CFA Institute conducted a survey, in which 120 thousand of graduate financial experts participated.

According to the results of the research, Russia was in the fourth place in the list of regions the most attractive for investment in 2015. Besides Kenneth Rapoza, Forbes

magazine columnist wrote in his article that the blow to Russia made its economy work harder against the expectations of the West (Rapoza). In connection with the need to ensure the economic growth, the actual character of development of effective anti-crisis monetary policy stimulating investment activity of large Russian companies, both public and private, is increasing. Marketing management of involving financial instruments as investments will ensure the basis of anti-crisis policy in difficult conditions for Russia. Currently an effective anti-crisis policy is necessary for the organization of financing high-tech and basic sectors of Russian industry, including the oil and gas exploration and production industries.

It is important to support the growth and development of these sectors by the implementation of reasonable investment policy, prepared on the basis of mobilization of all possible resources, which are located in various funds, as well as creating conditions for the development of long-term credit of industry through expansionary measures of monetary policy. The existence of credit limitations, being a vector of monetary policy implemented by the Russian Federation government, restrains to a large extent the development of a long-term credit of the Russian industry. Recently due to the high level of uncertainty the Russian companies, including state corporations, have significantly reduced their investment programs. For the development of the Russian economy agents' investment activity it is important to invent new expansionary measures of economic growth, to reduce the budget deficit and to increase the effectiveness of planned expenses.

Currently, the Russian Federation Ministry of Finance is developing a three-year plan for budget expenses, with a gradual reduction of the budget deficit and financial imbalances. The purpose of these activities is the economy modernization and ensuring the structural reforms, which will allow implementing a policy of new industrialization. The modeling of the Russian Federation budget will be based on its balance improvement and reducing expenses on resources. This modeling will provide resource opportunity for Russian companies to develop investment activity, as well as to form the internal sources of economic growth.

4. Conclusions and Recommendations

Modern global economy is limited by a system crisis caused by the use of dichotomy financial instruments. A peculiarity of modern crisis is not only its global character, but also the fact that, unlike previous crises, the risks came from those markets, which were considered as the most stable in conditions of globalization.

Before the financial crisis in Russian economy we could observe an investment glut, which had a peculiarity of investment concentration in the sphere of large and mainly state-owned companies operation. At the same time for the formation of "new economy" it is necessary to design a strategy of investment development, which should be based on the economy of incentives for innovation, rather than the economy of directions. This means the need to rely on private initiative, motivation

to create and implement new solutions and technologies at the expense of which it is possible to win the competition not only in Russian, but also in the global market. Innovative management techniques should be focused on the effective use of knowledge and information during formation of contractual relationships and systems of interaction between state and market, financial companies and their clients. For the integrated use of information in the system of economic agents' interaction, its analytical adaptation and formalization is necessary. To make the knowledge work, and to convert them into products, having a market value, it is necessary to implement them into changes in the economic agents' behavior, regardless of whether it is the behavior of an individual, organization or financial institution.

The development of industrial technologies, modernization of financial relations supposes first of all the development and formation of a flexible marketing model of industrial policy management, as well as technological development of actors who need financial, credit and organizational support.

According to Victor Ivanter, the director of the Institute for National Economic Forecasts of Russian Academy of Sciences (INEF RAS), currently Russian manufacturers do not have stimulating factors to ensure the release of high-quality products. According to the established rules of public procurement, the main factor in project selection is the price. The academician Viktor Ivanter considers that in order to increase the quality characteristics of the manufactured goods it is necessary to develop new programs and instruments of stimulating investment development (Russian Academy of Science).

Investment scenario supposes creation of the Russian economy sustainable development model on the basis of advanced manufacturing industries. At this stage the problem of creating an investment basis of the Russian economy on the basis of existing innovation-oriented enterprises, such as engineering and construction, is actualized. This requires an increase in machinery production by 2-2.5 times, in metallurgy by 1.5-1.7 times. The basis of the production growth in the Russian economy must be created by an algorithm of improving quality of products, accompanied by increase in its cost, ensuring the cost-efficiency of production. On this basis a new institutional mechanism of Russian industrial policy should be formed.

Quality management cannot be implemented without formation of a marketing management concept of industrial enterprises development. An effective marketing management model can be formed through the integration of network communications, system knowledge and intellectual capital on the basis of the "new economy" growth innovative mechanism development. Innovative operation of large companies having resources for such model of development acquires specific quality in the "new economy". Stability of this model is ensured and maintained on the basis of marketing management of a set of direct and reverse relations between

various stages of the innovation cycle itself, and between producers and consumers of knowledge, actors, market and state, not only within national borders, but also on a global level.

According to Igor Budanov, a head of the INEF Russian Academy of Science laboratory, government support is necessary for increasing growth of manufacture and quality of products in the manufacturing industry (Russian Academy of Science). Russian business itself can carry out the modernization of processes, but when it comes to investment development, the state must ensure the development of infrastructure and modernization of intersectional relations on the basis of marketing and financial management. It is difficult to provide interaction in the level of quality between sectors without a system of marketing management and financial support of the state.

It is known that the globalization of marketing management systems and financial capital flows consolidation influence negatively on the development of small companies and companies of local markets, causing a “domino effect” in the financial crisis, when decrease in stability of one company results in risks for another one (Andreeva. A.). The growth of local clusters and global alliances in the creation and commercialization of innovations is typical for the “new economy”. In the “new economy”, as P. David and D. Foray noted at the beginning of this development concept formation, “the opportunity and the ability to get access to knowledge or to join relations about owning them (teaching) defines the social and economic position of companies and individuals” (David and Foray, 1995).

The contribution of the “new economy” in the pace of economic growth of developed countries is, according to the available expert estimates, 25-30% with continuing stable trend for further growth (Lushkin). On average the “new economy” sets a 2 times higher growth rate compared to traditional industries. The contribution of the “new economy” in the economic growth of the state is possible only if there is an innovative product, its further mass development and replication. In financial sphere the development of such products emerged as “financial innovations” contributed to the accumulation of “toxic” instruments and risk concentration, which caused system crisis in the global economy.

George Soros, who defined the world financial centers as transnational bank holding companies under the patronage of the US Federal Reserve System, was the closest to identification of peculiarities and components of the system, forming a model of the “new economy” (Soros). George Soros associated appearance of International Finance Centers (IFC) with new quality of the world currency system, which was caused by collapse of the Bretton Woods system. International Finance Centers should be considered as complex structured system formations that ensure modernization of financial institutions integrated in them. Financial institutions able to compensate for the absence of efficiently working market mechanism of intra-

and inter-sectoral flow of capital should encourage the creation of institutional balance in the world economy globalization.

In this regard the financial system must accumulate structured instruments and investments in promising areas of economic development, as well as have developed financial flow control mechanism, ensuring their repayment. A balance of the “new economy” is created through the global crisis. The existence of financial center as a financial control system allows managing through the crisis, which in modern conditions can be called as the crisis of speculative instruments and excessive economy. According to the conclusions of the professor V.M. Kolontay, financial globalization as the transformation of the world economy, depends more and more on financial players and financial markets (Kollontay, 2008).

In conditions of global crisis emerging, P. Krugman notes fairly that “amid recession in the industrialized countries, the dependence of economic growth in developing countries on global factors increases significantly, and financial innovation contribute to strengthening this dependence” (Krugman, 2007).

Russian GDP is about 2% of the world one, therefore the domestic market of innovative products and services is still a very small market, where competitive competencies in the sphere of creating products arise in a fairly limited way. However it should be noted that business develops rapidly where there is a mass client. At the same time scarcely anybody of local researchers knew anything about instruments and methods of business processes productization, namely the transformation of innovative technologies in the product or service which is of great interest to the customer or contractor.

In order to form a financial strategy based on technologies productization, for industrial companies of innovative type it is important to determine what products and in what volume must be manufactured to ensure high income and competitiveness of business. To implement the method of goods and services promotion it is necessary not only to assess the needs of the market, but also to shape those needs and be able to predict their long-term perspective.

There is a list of start-ups from various regions on Betalist.com: at the end of 2015 year there are 2346 start-ups from the USA, 1849 from Europe, 34 from Russia were registered. Betalist is an American project, and US figures in it are naturally disproportionately high. Russia can be compared there with Europe. Even if we do not look at the leaders, the United Kingdom and the Netherlands, but compare Russia with Greece, experiencing problems with the economy, we will see that only in Greece the development control system of 27 innovative startups is being implemented. At the same time in terms of the population Greece can be compared with one of the Russian regions.

Certainly, the methods of management contribute to success of innovative projects. One of such methods is a “Scrum method”, radically improving the efficiency of startups teamwork. Several books describing such methods of management were published in the Russian language, but the Jeff Sutherland’s monograph “Scrum. The Revolutionary Approach to Project Management” is focused not so much on step by step instructions for the method implementing, but on creation of the system of marketing project management itself in the company. The creators of the “Scrum method” took inspiration in different fields of knowledge: Toyota production system, biology, psychology, robotics, sports, and even Japanese martial arts (Sutherland, 2015).

Since the mid-1980s theorists and empirics started talking about the fact that the classical cascade model of complex projects management, supposing passage through successive stages and using such instruments as Gant charts, was out of date. Scrum refers to a class of so-called agile methods of software development. Sutherland, a specialist in applied statistics, nearly 10 years worked in the Cancer Research Center of the University of Colorado and was responsible for data collection. When the Reagan administration cut funding for scientific research, job loss threatened Sutherland. However at this time a rather unexpected customer addressed to him; this was a company engaged in development of new network devices for banks (existing ATMs). A series of major projects followed; the method improved. It was presented to the professional community in 1995 at the annual conference of the Association for Computing Machinery.

The name of the method is borrowed from the rugby vocabulary. Like rugby players the team working on the project must be united by coherence and clear understanding of the purpose. In the Sutherland’s method a scrum-team is an autonomous small self-governing group, consisting of specialists in different fields. Constant communication with the customer and his active role is one of the fundamental differences of Scrum from traditional model, in which the result of the project is demonstrated at the end. Another important difference lies in flexible planning and assessment of tasks not in days or man-hours, but in relative units.

The book by Jeff Sutherland, a founder of the Scrum method, provides a system of projects marketing management, allowing implementing the projects rather quickly and efficiently. The author invented his own method, trying to cope with weaknesses of classical project management: people rarely manage to work as a team, efficiently and quickly, most of the plans are not fulfilled (neither in terms of time nor resource), divisions and teams often perform contradicting tasks or duplicate them. For 20 years of existing the Scrum helped not only the majority of software developers, but also FBI, car producers, pharmacists and other specialists, aiming to be the innovation oriented.

Management of innovative processes in the local economic systems is controlled by the global financial capital, forming information and financial networks of

interaction with attractive agents. M. Kastels noted in his monograph, devoted to the establishment of a global information economy: “The dominant actors perform network interaction with the global market, and their destiny depends on how successively they work in this market” (Kastels, 2000).

In Russia, the formation of “new economy” is slow enough; the process is carried out according to the model of “catch-up development”. Currently, creating complex technologies and innovative products Russia not always has opportunity to use experience of developed countries, adapting innovative production and management technologies. However, these technologies can only draw nearer the actors of the Russian market to the threshold of technological border.

The approach to the technological border “comes in connection with the achievement of high levels of well-being when the possibilities for development through technology transfer are reduced; at this stage the task of transition to growth through innovations (but not to a growth in “innovative” sectors, as innovative growth is often understood) is actual” (Yudaeva and Yasin, 2009).

According to E. Yasin and K. Yudaeva, for catch-up development and development at the technological border different institutions are necessary. In countries with catch-up development, where the system of contracts protection is developed badly, vertically integrated structures can be used to accelerate economic growth. Such structures are too rigid and do not provide great opportunities for experiments, however vertical integration copes well with the task of technology transfer.

When implementing a modern industrial policy aimed at import substitution, it is appropriate to use price targets (quality-price ratio), set on the global market; when developing new products it is important to ensure the elimination of the backlog in price and quality from foreign analogues, imported to the Russian Federation and traded on the world market. Currently, a concept of economic growth based on quality improvement, is being developed on the basis of institutional design model.

According to the conclusions of Dmitry Kuvalin, the Deputy Director of INEF RAS, it is possible to identify a number of sectors and sub-sectors of Russian economy, in which “growth of import substitution was happening not so much due to low Russian cost, but due to improving the quality of products. This is a series of sub-sectors in chemical industry, food industry, pharmaceutical industry, building materials industry, pipe industry” (Interfax)⁴.

In the process of the marketing management mechanism formation, of course, it is a case of establishing quality standards in procurement of public and private

⁴ Rigid monetary policy and budgetary restrictions fraught with the transition to a conservative scenario of economic development - INEF RAS report // INTERFAX.RU – 2016 dd. 22nd of June <http://www.interfax.ru/presscenter/514810>

companies, fight against low quality import, creation of new infrastructure in the country, which will increase demand for building materials and metallurgy. When developing industrial policy in this field the manufacturers of innovative products shall be granted tax benefits in terms of costs on personnel training and R&D, to encourage a policy of low interest rates and to apply instruments related to marketing management model.

An important task of marketing management in the Russian market is to expand the share of export. A small share of Russian goods in the volume of world markets determines the need to develop export sales. In addition to implementation of possible efforts of the industrial companies themselves, obviously it is necessary to use additional opportunities arising on the basis of e.g. relationships with partners. Marketing management of such relations development provides competencies on products promoting which the companies' lack of help with access to new markets. E.g the partnership of GE with American Pratt & Whitley allowed the company producing engines for wide-body A380, and with Japanese Honda - engines for light jet aircrafts.

Among potential "Rostech" partners Honeywell and Airbus (air), Siemens and GE (electronics) can be defined. Among the most significant current state corporation partnerships the joint venture Helivert ("Helicopters of Russia" + Agusta Westland) in the production of twin-engined helicopter AW 139 can be distinguished. The partnership agreement between "Rostech", "Rosneft" and Finmeccanica about assembly and further localization of AW 189 has already been signed. Two joint venture companies have been created as a result of cooperation between KamAZ and Daimler.

Plans for the innovative development of companies require large expenses, e.g., to implement the new strategy "Rostech" requires investment of 4.3 trillion rubles in 2016-2025, and 25% of investment program is currently funded from the state budget. The Corporation admits that a high debt load of certain companies of the holding and lack of own funds are the factors deterring development. Currently a part of resource shortage is covered by additional emissions, grants and Fund of Targeted Programs (FTP) from the state.

At the same time, the state budget is adopted with a 3% deficit, with the majority of expense items subject to sequester. Reduction of state opportunities can be compensated by involving investors in stock capital of GC "Rostech", which should become one of the main sources to cover the deficit.

It should be emphasized that after the global financial crisis, which occurred 8 years ago, the central banks of developed countries lowered their interest rates a huge amount of times, more than \$12 trillion was spent by governments on the purchase of assets as a part of the quantitative easing programs, but this has not led to a significant growth or inflation acceleration. Economists argue that the measures of

stimulating economy, used up to now (close to zero or negative key rates and quantitative easing (QE)), are exhausted and new expansionary instruments are necessary. Perhaps the “helicopter money” can be such marketing and financial instruments.

These instruments were suggested in 1969 by Milton Friedman, the Nobel laureate in economics in the scientific work “Optimum Quantity of Money”. The scientist’s concept was that it is possible to increase inflation and stimulate economic activity, by transferring money directly to households, which will spend actively having more money. Milton Friedman compared such measures with dropping banknotes from a helicopter.

The scientist’s methodology was based on simultaneous introduction of money in the economy, rather than on a number of operations. In the modern sense the “helicopter money” is not only direct distribution of money, but also other ways of marketing stimulating of household expenses, such as tax allowance.

Today the perspectives for the budget formation are gradually beginning to justify the pessimistic variants of forecasts. Firstly a discussion began about the necessity to reject some of the investment projects, money of the National Welfare Fund for which was firmly committed. Probably soon in the course of the reserve fund exhaustion it will bear the burden of financing the budget deficit. Secondly, the Ministry of Finance presented its proposals to increase taxes. This is some kind of “tax maneuver”.

Among scientific community and business an opinion is being formed about the need to issue instruments of “targeted emission”, as well as possible finance of budget deficit by Central Bank. As a rule, it is combined with the requirements to freeze the exchange rate and restrict the capital movement. The most serious are the problems associated with the reduction in income and consumption. The state of regional budgets has not changed according to the results of the first half of 2016, as in the 2015 the budgets of two-thirds of the regions were deficit.

The amount of debt also remained at the same level; however the debt structure improved – a share of expensive commercial credits reduced significantly due to budget credits of Ministry of Finance. The number of regions, in which the decline in investment continued, reduced slightly. The number of regions with the ongoing industrial recession decreased in the first seven months of 2016. Entirely in Russia there was no serious recession in the first half year period in the main branches of industry. Most segments of the real sector moved from recession to a zero growth rate. Perhaps a period of relatively high volatility in the real sector is over.

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