

***THE IMPACTS OF INNOVATION ACTIVITIES ON DYNAMISATION  
OF SMES IN SERVICES<sup>1</sup>***

**Viera Kubičková,**

**Monika Krošláková,**

**Daniela Breveníková,**

**University of Economics in Bratislava**

Globalisation of the world economy indicates the strengthening of transnational corporations. These gigantic corporations have a significant inherent economic power. Their economic growth is

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based on the geographical boom and comparative advantages ensuing from them. This phenomenon is confronted with small and medium-sized firms. These firms increase their dynamics based on the ability to identify market niches and their innovative use. They are an important impulse to the development of regional economy. The focus is on in particular on high-growth enterprises. These enterprises are sources of the creating new jobs and an innovative networking in the region; in this way, they support the rise and development of supplier and partner entities.

The process of increasing the tertiary nature of economies has resulted in a dominant position of the services sector in advanced economies. Services are part of all value-formation chains, which leads to creating new needs and demand for services. Thus, the services sector represents an environment that offers many opportunities for applying high-growth enterprises. Given these facts, the topic of our research is small and medium-sized enterprises of services and factors affecting their dynamisation.

Gazelles constitute a subgroup of high-growth enterprises. A typical gazelle is a small or a medium-sized enterprise that achieved an above-the-average economic growth during a particular period. According to OECD, gazelles are enterprises that operated as employers for five years, during which they achieved an average annual growth of employment (or turnover) more than 20% for at least three years. At the same time, they have to meet the condition that from the beginning of the monitoring they employed ten or more employees. The term of gazelle denoting a young fast-growing company was used for the first time approximately in the year 1980 by the economist and scientist David Brich. For economists, the gazelle is a firm that has been fast growing in the long term and is of some critical size. It is a leader of structural changes in its field and is characteristic of a high share of innovations. This firm has no natural territory and can occur in any field and region. They are unanimous sources of economic growth and welfare, as they create as much as 60–75% of all new jobs.

The existence of gazelles is a phenomenon, which is not typical of high-tech fields, but it has a decisive position in the services. However, there are differences between gazelles operating in the environment of technologically advanced EU economies and those that realize their above-the-average economic growth in countries with limited application of progressive technologies. The economic growth of an enterprise in the economy that is approaching the frontier of current technology possibilities necessitates the support of strategies based on research and innovations. For the economies that lag behind in technology, this support is not decisive. Innovation inputs, innovation outputs, innovation success as well as innovative business are much more important for gazelles in technologically advanced countries than for those in the countries that lag behind in technology. Differences between the gazelles in old EU member countries and the new EU member countries are more significant than the differences between gazelles and non-gazelles. Gazelle

companies differ from other enterprises more in countries with advanced technology than in those with technology lagging behind. Therefore, dynamic SMEs exist regardless of the fact whether they founded their growth in innovation activities or not. However, the difference rests in the fact that the growth based on innovations brings competitive advantage in a large European space and this growth has long-term prospects. The growth of gazelle companies in countries that lag behind in technology is based predominantly on traditional factors which will be capable of economic differentiation and advantages only for a relatively short period. In countries with a high rate of technology application, the highest number of gazelles is concentrated mainly in services and in high-tech industry, e.g. in Germany and Belgium.

Part of the strategy of supporting the SMEs' dynamisation in the services sector is the research of determinants of their development. Empirical observations of SMEs in individual economic settings document their innovative behaviour supported by an active cooperation with other enterprises of supranational impact. This description of gazelles can be denoted as a key characteristic in terms of their future existence.