INNOVATIVE MANAGEMENT APPROACHES AND VENTURE INVESTMENTS: A BLUEPRINT FOR STARTUP SUCCESS

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Abstract. The article considers the current state and prospects of development of approaches to innovation management and attraction of venture capital investments for the successful operation of start-ups in modern conditions. The most favourable and effective mechanisms for incorporating innovation management and venture capital investments into the business environment are identified. The primary stages of venture capital investment, namely the development of an investment object and the implementation of the result, are formulated and substantiated. The main trends and opportunities for startup growth are identified due to the relationship between innovation and attracting venture capital investment at all stages of creating and selling products or services. The basis for the further development of startups and enhancement of their efficiency in the domestic market should be a targeted public policy aimed at resolving the imbalance between private and public investment, which is currently a problem. The author shows that in order to effectively implement the global strategy of building start-ups in the innovation economy, it is necessary to create a stable market for both USA private capital and foreign venture capital. The ways of implementing the innovation and investment process of development and operation of start-ups, which should be used in the development of strategic policy, are identified. Examples of attracting venture capital investments are given. The conclusions provide information on the importance of innovative management and the attraction of venture capital investments, which cover the process from the emergence of an idea to its practical implementation.

Keywords: investment and innovation process, investment market, business development, dynamics of the business environment, venture capital.

1. INTRODUCTION

Social relations are ahead of legal changes, but laws do not have time to adapt and modernise to new economic relations and, as a result, do not receive sufficient regulatory support. Relations in the field of venture capital investment in innovation are no exception. This is due to both the lack of legal support mechanisms and the scientific and practical development of its legal structure. Venture capital investment in innovation is one of the defining types of entrepreneurial activity, meets all the features of the latter, and falls under the law on entrepreneurial activity. The study and analysis of the procedures for venture capital investment in innovation requires clarification and the use of certain terms related to the use of the categories "innovation" and "venture capital". These concepts can be considered as identical or different.

Despite the fact that many scientific papers have been published on the topic of venture capital investment in innovation, some questions related to this type of activity remain unanswered. The emergence of venture capital investment is driven by the development of the intellectual property and entrepreneurship system based on venture capitalism, a new and specific qualitative phenomenon that is private in nature and is governed mainly by private law.

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Venture capital investment is an important mechanism for national innovation activities of start-ups, as evidenced by the practice of economically developed countries. In a general sense, venture capital investment in the global economy is an investment in technology projects involving a certain degree of risk to create and commercialise new products. Such investments differ from modern loans in that they do not need to be repaid. In particular, the main source of venture capital is often the personal funds of the founders. However, not only venture capital investment but also innovative management is important for the functioning and development of startups, as startups in the USA are characterised by the following features: temporary existence, uncertainty, and an unstable market position. In the context of a full-scale war, these problems are only exacerbated.

2. LITERATURE REVIEW

Venture capital (VC) is an important feature of the modern financial system and plays a key role in diversifying investment risks and supporting innovation. Numerous studies in Europe and the United States have shown that venture capital (VC) firms benefit portfolio companies by providing capital, training, monitoring, and helping to build valuable partnerships (Kravchuk et al., 2021). Venture capital has a positive impact on company performance and governance. However, some studies show that the role of venture capital in helping companies obtain additional funding and resources wanes after an initial public offering (IPO). Similarly, after the IPO, the shareholder composition is likely to change and the role of venture capital in mentoring and monitoring is likely to decrease (Kushneryk, 2020). The positive effects of venture capital may diminish and potentially hinder the long-term performance of venture-backed companies more than non-venture-backed companies.

Most existing studies are based on data from developed Western countries with relatively well-developed venture capital markets (Malinovska and Koren, 2019).

Research on the impact of venture capital in developing countries such as the USA is limited (Polischuk, 2017), and therefore this study examines the impact of venture capital in the USA context. Given economic situation in the USA, it is likely that venture capital and its unique institutional environment will have an impact on the long-term performance of start-ups.

It is determined that the venture capital industry of a country is to some extent related to its institutional environment. In today's competitive and dynamic business environment, one of the key factors in ensuring the development of business structures is the introduction of innovative products. After all, the key to success in the modern economy is knowledge and development, including communications, information, software, and devices. However, the development and commercialisation of innovative products often requires significant amounts of funding, and in the current environment, this funding is either limited or difficult to obtain. For this reason, start-ups are becoming increasingly common in the business world.

This creates the illusion that innovative ideas are successful businesses in the short term. However, achieving such results requires considerable effort on the part of the team working on the idea from its inception to success. However, the problem of creating a common understanding of the nature of start-ups and the specific ways of financing their activities has not yet been resolved. The startup market is developing dynamically around the world, including in Ukraine: In 2021, total investment in the USA tech companies reached USD 832 million, up 45% from 2020 (Adamiv & Lisa, 2023).

Firefly Aerospace, Grammarly, and People.ai attracted more than 58% of the total venture capital investment in the USA companies. In the first quarter of 2022, despite the widespread Russian aggression, the development of the private technology investment market continued: Between January and March 2022, 11 venture capital deals worth USD 11.5 million, three private equity deals worth USD 4 million, and eight exit deals worth USD 135 million were concluded (Adamiv & Lisa, 2023).

Appio, F. P., Frattini, F., Petruzzelli, A. M., Neirotti, P. (2021) note that international companies continue to open new R&D centres and offices in Ukraine. In addition, international technology companies and the national IT community have offered a number of programmes to support startups.

Currently, popular the USA industries that attract the interest of venture capitalists and private investors are agro-tech, remote work, education, medical technology, marketing and sales, environmental technology, financial services, and business process automation (Boyda, 2022). In addition, machine learning and artificial intelligence have always been attractive to investors and are intertwined with a number of innovative technologies.

Investors' interest in these areas is well-founded, as economic growth leads to a shortage of skilled labour and a growing demand for automation and digitalisation. In addition, many businesses have accumulated large amounts of data that need to be analysed, systematised, and forecasted. Therefore, the issue of increasing the activity of the USA start-ups in the context of national economic development is of great economic importance.

3. MATERIALS AND METHODS

To obtain qualitative indicators of the study, two groups of methods were used. The first group includes general scientific methods, and the second - special scientific methods. The following methods were used from the group of special scientific methods: collection and processing of information, comparison, generalisation, statistical and analytical methods, forecasting; from the general scientific methods: analysis, synthesis, generalisation, induction, deduction.

The study uses general scientific methods to determine the importance of venture capital investments and innovative management approaches in the development of start-ups in the USA in the modern economy. Using the synthesis method, the article considers important aspects of the theoretical and methodological significance of the investment attractiveness of startups in the current conditions. In addition, using the method of analysis, the article clarifies the theoretical aspects, features, trends, opportunities, and risks for the successful development of startups.

The methods of deduction and induction made it possible to identify the vectors of improvement of startups and their impact on competitiveness in general. The method of comparison was used for the indicators of startup development of the leading countries and Ukraine in the world ranking for 2021, namely differences, negative and positive trends. An important method for this study is statistical analysis, which reflects the results of a study conducted in 2023 by Gradus Research based on the method of self-completion of a questionnaire in a mobile application.

Using the forecasting method, the main vectors of possible ways of developing investment attractiveness, namely attracting venture capital, to successful startup management and making appropriate decisions to maintain economic indicators at a sufficient level are identified and collected. By using the above methods, the study emphasises the need to attract venture capital investments and innovative approaches to start-up management, which is a driving tool for improving the financial system of the USA during the period of martial law. The methods used for collecting and processing information allow researchers to reflect the research issues.

The methods used in the study allowed to develop the research problem of the impact of venture capital investments and management innovations on the success of startups and contributed to further analysis of this issue, which requires constant monitoring and response due to constant changes in the global and domestic investment environment.

4. RESULTS AND DISCUSSION

For many countries, the creation of conditions for a venture capital investment system is objectively necessary due to the specifics of innovative economic development in developed countries and the urgent need to ensure the reproduction of national wealth based on high technologies. Correct and innovative business project management is essential.

Innovation management is a specialised form of management of innovation activities, i.e. the innovation process, in all sectors of the national economy. Innovation management is based on the general theoretical provisions of management applied to the management of the research and production cycle and represents a systematic body of knowledge in the field of innovation theory. Innovation management as a managerial approach is aimed at performing the main functions of scientific and technical activities of start-ups. This includes the implementation of new ideas, the creation of interesting and innovative products, the modernisation and improvement of technical parameters, and the improvement of the quality of already developed and manufactured products.

Innovation management ensures the use of the potential of scientific activity, thus achieving global leadership in certain areas of scientific knowledge, which guarantees the high potential of countries and the realisation of the potential of science as a means of creating wealth.

The subjects of management in innovation management are managers and specialists of different levels, depending on the object of management. The objects of innovation management are various innovation processes, such as research and development, innovation activities of the enterprise, and scientific and technological innovations themselves.

Innovation management includes the following tasks:

- formation and implementation of a unified innovation policy;
- operations management;
- creation and analysis of innovation potential;
- creation of innovative strategic systems;
- research, assessment, and forecasting of market conditions;
- improving corporate governance structures.
- innovation management, like any other system, is characterised as:
- interconnection and interaction of all system components;
- integrity, consistency, and synchronisation over time;
- compliance with the organisation's mission and goals;
- adaptability;
- flexibility to changes in the environment;
- independence of the elements of the organisational structure.

Innovation management is characterised by setting goals, choosing strategies, and four phases of the cycle: planning, defining and organising conditions, implementation, and management. At each stage of the cycle, a specific task is solved.

From the above, we can conclude that innovations are important for the business economy. Innovations are seen as a factor in the competitiveness of products, which guarantees the efficient use of production resources, increases the adaptability of enterprises to the external environment, expands the opportunities for enterprises to enter new product markets, and creates conditions for long-term stability. The pace of life is a determining factor of innovation in the modern world. Companies that manage to include it in the list of key development parameters win and earn millions in profits.

The organisation of management processes is essential for successful innovation. Only by creating a transparent process for transforming concepts into practical solutions can interesting ideas be transformed into systemic innovations (Table 1).

Table 1: Fundamentals of innovation at different levels of innovation activity

Level	Description
Nano	Innovation at the level of the individual. An important stage of acquiring knowledge, investing through the purchase of services and goods that are necessary for the fulfilment of one's own needs and livelihood

Micro	Innovative activities carried out by the company: development and production of high-tech products, provision of services (educational, financial, legal, information, etc.) that support the innovation process
Meso	Innovation activities are carried out mainly in the country by a group of firms at the level of a network or corporate structure
Macro	The institutional basis for innovation activities carried out within a country or its part (region, state, region) is the national innovation system
Hyper	Innovative activities are carried out by a single national system (USA, EU, etc.) and transnational corporations
Global	Acquisition and dissemination of new knowledge on a global formal and informal network level. Examples of such networks include basic science (informal networks) and the Internet.

Source: compiled by the author based on data from Lyakh (2020)

Venture capital investment is a system of investing in new promising businesses with the aim of generating profits through significant business growth over time. The essence of venture capital investment is to invest in promising business ideas.

According to the Association of Investment Enterprises of the USA, venture capital is capital invested in high-risk projects, in particular, cash capital invested in start-up companies or expansion of existing companies in exchange for shares. Globally, venture capital is represented by two sectors: formal (venture capital funds) and informal (individual investors). Each country's venture capital system has its own institutional features, which are implemented through the specialisation of each country's venture capital model, the alignment of economic interests in the innovation sector, and sources of funding (Lyakh, 2020).

The specificity of the venture capital investment model is reflected in the main characteristics of venture capital. The scope of economic relations related to venture capital differs from country to country. In the United States, for example, it is mainly focused on the early stages of creating new high-tech companies and on investments in unlisted high-tech companies (Adamiv & Lisa, 2023).

The US National Venture Capital Association (NVCA) defines venture capital as capital provided by specialised firms that invest in young, high-growth companies with the potential to become competitive players in national or international markets (Adamiv & Lisa, 2023).

When considering the mechanisms of venture capital investment in the startup ecosystem, it is important to emphasise the important role of startups as a catalyst for the “creative destruction” they bring to the market and as a driver of capitalisation of promising technologies and business models. The concept of a startup can be defined as a process, a project, a newly created organisation, a modern business with high potential, and an innovation (Figure 1). These aspects show that the startup concept is very broad, multifaceted, and complex at the same time.

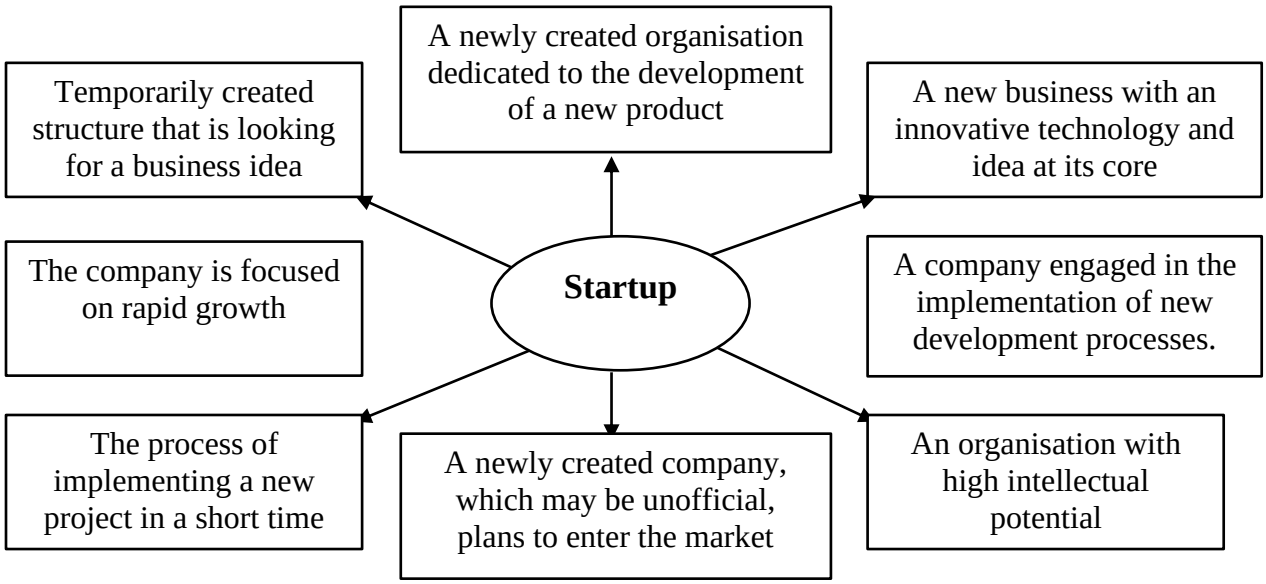

Figure. 1 The essence of the concept of a startup
Source: compiled by the author based on Adamiv & Lisa (2023)

The concept of startups should not be equated with the traditional concept of business. In order to analyse this concept more fully, it is necessary to identify the main characteristics of start-ups that distinguish them from conventional business and entrepreneurship:

- limited funding - in most cases, startups are university students or other students who do not have sufficient funds to start developing their projects;
- small number of employees - in order to generate new ideas, startups often have a small number of people who come together in groups, and all members have strong aspirations, talents, and common goals;
- innovation - startups are directly related to the need to create something fundamentally new, and the latest ideas are used for further product development and design;
- flexibility - this feature is the main difference between startups and SMEs, as startup ideas can change over time and quickly adapt to different situations.
- riskiness - this characteristic connects startups with entrepreneurship because sometimes ideas do not come to fruition;
- short-term (temporary) - start-ups can acquire business characteristics and grow into enterprises after they are sold and start producing products.

The main difference between start-ups and SMEs is that start-ups are created solely to implement and introduce new ideas through innovation. SMEs can succeed by selling an already known idea or product.

The credibility of start-ups is determined according to a number of criteria, namely:

- efficiency - this refers mainly to the effectiveness of the organisation of project development activities and the efficient use of investments;
- funding - access to and amount of funding;
- market size - prospects for entering the national and international markets;
- experience - level of education, awareness and qualifications of startups, salary;
- knowledge - its availability is an important aspect in conducting the necessary research and analysing new situations;
- communications - expanding the market through communication with investors, experts, and researchers.

Efficiency and financing are the most

important criteria, which is quite reasonable. After all, the success of any startup depends primarily on an efficient operational organisation and attracted financial resources, which is the main focus of this article.

According to StartupBlink, a global map of startup ecosystems, ranked 29th in 2020 and 34th in 2021. The top five countries in 2020-2021 remain unchanged: USA, UK, Israel, Canada, and Germany (Global Map of Startup Ecosystems.., 2021). Changes in startup development indicators according to the Global Startup Ecosystem Index are shown in Table 1.

Table 2. Development of startups in the leading countries and the USA in the world ranking in 2021

№	*State*	*Overall assessment*	*Quantitative assessment*	*Indicator score*	*Business indicator*
1	USA	124,4	19,45	101,17	3,80
2	United Kingdom	28,7	8,16	16,86	3,70
3	Israel	27,7	5,48	19,14	3,13
4	Canada	19,9	6,58	9,75	3,55
5	Germany	17,1	3,64	9,93	3,49
...					
32	Czech Republic	6,2	1,24	1,72	3,26
33	New Zealand	5,9	1,05	1,12	3,69
34	Ukraine	5,7	1,01	2,09	2,60

Source: compiled by the author based on the Global Map of Startup Ecosystems (2021)

Start-ups are primarily a modern form of launching an innovative business, as they are projects that can be expanded in the future. Their development is an economic engine for any country, and their growth improves the country's position in international rankings and enhances its competitiveness. It is well known that the successful creation and further development of start-ups requires, first and foremost, a favourable environment, including the availability of human resources and knowledge among start-ups, sources of funding, and market research.

Crunchbase is an online platform that collects information about startups, owned by a US-based technology publication founded in 2007 by Michael Ellington. Initially, he planned to track startups that TechCrunch wrote about. The database displayed data on investor searches, IPO status changes, and acquisitions. In 2014, Crunchbase expanded to include information on venture capital partners and incubators, as well as tables with industry leaders. In 2019, Crunchbase expanded, raising $30 million in funding, taking the first step towards Jagger McConnell's long-held goal of turning the platform into LinkedIn for business (Company profile on Crunchbase - how to create and what are the benefits, 2020).

Venture capital injects interest-free, non-repayable capital into start-ups in the expectation of capital growth as start-ups scale rapidly. This significantly affects the role of this instrument in creating a favourable environment for startups and the long-term viability of promising business models. To understand the importance of venture capital investment in the startup ecosystem, it is useful to consider the main differences between venture capital investment and traditional methods of financing startups (Table 3).

Table 3: Analysis of venture capital and classical investment in business ideas

Analysis criteria	***Classic investment instruments***	***Venture capital investment***
Risk level	Medium/minimal	High
Type of risk	Investment type	Entrepreneurial type
Perception of obstacles	The main thing is to make a profit with a low level of investment risk	Sharing obstacles with startup owners
Companies receiving investments	Companies that have been on the market for a long time and have sufficient capital	Start-ups aimed at implementing promising business ideas and operating based on new technologies
Criteria for selecting companies for investment	The prospect of significant business profits	The prospect of rapid expansion of the business
Functions of investors	Provision of capital	Availability of advisory assistance, funds for improvement, professional networking of venture capitalists for effective work of startups
Provision of security	Provision of working capital and fixed assets to enterprises	Without collateral
Making a profit	Share of profits distributed to investors	Opportunity to sell a stake in a business after major growth
The basis for success	Return on assets and sales	Growth rates of startup value and sales growth, speed of expansion of interesting ideas to new markets, factors of startup management effectiveness

Source: compiled by the author based on data from Sak, Shostak, Vozniuk (2022)

The dynamic development of the business environment has significantly changed the financing of start-ups. Whereas a few years ago there were few available options for financing such businesses, recently there has been a surge in funding for start-ups at various stages of development.

In order to attract the necessary funding, startup owners need to clearly understand the main stages of their development and the specifics of financing these projects at each stage. Below are the relevant stages (rounds) of startup financing and their main characteristics (Duma, 2022):

1. Pre-funding stage - usually refers to the period during which a startup begins its operations. In most cases, this stage is used to leverage existing internal resources to ensure the startup scales. Startup owners invest their own resources and try to generate original innovative ideas. At the pre-funding stage, startups are valued at between USD 10,000 and 100,000, and their projects can receive up to USD 50,000 in funding (Duma, 2022).

2. The initial round stage. Almost 29% of startups fail because they run out of funding at the start-up stage. This greatly emphasises the importance of adequate financial support in the early stages of a startup's development. Early funding allows such businesses to cover the necessary costs of developing innovative products, preparing marketing tools, building a team of employees, further market research, etc. It is estimated that at the initial stage of funding, startups can receive from USD 3 to 6 million while promising emerging projects can receive from USD 50,000 to 3 million (Duma, 2022).

3. Series A financing is the first stage of venture capital financing. At this stage,

startups must have a developed product and a customer base with a recurring revenue stream. This round of funding is a lucrative opportunity that allows startups to scale to different markets. At this stage, startup leaders should familiarise themselves with the details of the funding round and start building relationships with venture capitalists. American entrepreneurs recommend following the 30-10-2 rule when looking for potential investors. According to this rule, you need to find 30 investors who are willing to invest their own capital in a start-up project. It should be remembered that 10 of these 30 investors may be interested in the proposed innovative idea, but only two of them will actually invest their money. Startups worth USD 10-30 million with a sound business plan can raise up to USD 10 million at this stage of funding (Duma, 2022).

4. The Series B stage of financing is intended for startups that have completed three previous rounds of financing and have convinced investors that they have a sufficient customer base and recurring revenue streams to succeed on a larger scale. At this stage, investors finance the development of the startup in terms of business volume, market share growth, and the formation of new structural units (marketing, business development, customer satisfaction). Series B financing allows startups to grow efficiently, meet diverse customer needs, and compete in a highly competitive market. Startups with a market capitalisation of USD 30-60 million can raise up to USD 30 million in Series B financing (Duma, 2022).

5. The Series C stage of financing is intended for startups seeking more significant funding to develop new innovative products, enter new markets, and acquire other startups that have not achieved significant success in their own or related industries. Usually, at this stage, a startup has already proven its success, and new investors are interested in cooperating and investing heavily in effective startup projects, thus establishing themselves as influential investors. Startups with an enterprise value of USD 100 to 120 million can raise up to USD 50 million (Duma, 2022).

6. Few startups need to move to the next stage of Series D funding. This allows entrepreneurs to raise funds to solve problems in special situations. An example of this is a company merger. Startups may consider Series D financing if they are not yet publicly traded but are planning to merge with a competitor on acceptable terms. On the other hand, if a startup does not achieve its goals with Series C financing, it can raise additional funds with Series D financing. The value of a startup at this stage is estimated at USD 150-300 million and can raise up to USD 100 million (Duma, 2022).

7. An initial public offering is the first sale of a company's shares on the open market. Startups that are growing and in need of capital often conduct IPOs to raise funds, while established organisations use them to allow startup owners to sell their shares to the public in order to divest some or all of their ownership (Adamiv & Lisa, 2023).

An analysis of European experience shows that in these countries there is virtually no distinction between venture capital and private equity, and these concepts and objects are often confused. According to a guide prepared by the European Venture Capital Association (EVCA), venture capital is defined as follows.

Based on the results of a study conducted in 2023 by Gradus Research using a self-completion questionnaire in a mobile application. Target audience: top management of the USA startups, sample: 114 respondents, research period. The study is based on the following elements (Gradus Research Plus, 2023):

18% of the surveyed startups started their operations after the outbreak of a large-scale war, compared to 2% of traditional Ukrainian businesses. This may be due to the fact that during a crisis, it is more difficult for traditional Ukrainian businesses to generate ideas and implement new projects than for startups (Gradus Research Plus, 2023).

As for the status of enterprises, 31% of the surveyed representatives of the start-up community and 39% of traditional enterprises that started operating before the war claim that they are partially active. This suggests that neither Ukrainian start-ups nor traditional

businesses have yet fully realised their pre-war potential. According to the survey, 69% of the surveyed Ukrainian startups are at an early stage of development (pre-seed). At the same time, 10% are at the stage of forming a business idea, 9% are looking for initial sources of investment, 25% have started selling products or providing services, and 25% are trying to attract investment for growth. Seventeen per cent of start-ups surveyed have moved some or all of their business abroad, compared to 13 per cent of established companies. On the other hand, 57 per cent of start-ups and 70 per cent of enterprises said they had no need to relocate at the moment. According to the survey, the main reason for relocation for 46 per cent of the surveyed start-ups is safe working conditions. 35% of respondents said that relocation was necessary to protect their business, and 32% said it was necessary to protect their jobs. The main motivations are the same as for traditional the USA companies (34% for security reasons, 31% to save jobs). The USA is an important market for 75% of the surveyed startups. 39% of the surveyed young The USA business representatives chose the European Union (EU), and 23% chose the United States. The intentions of startups for the next 3-5 years indicate the growing importance of the European Union (EU) and the United States as target markets (Gradus Research Plus, 2023).

The USA remains an important market for the USA companies (82% of respondents). The main reasons for focusing on Ukraine are the place of residence (54%) and demand for products and services (48%). Poland and Germany also play an important role in the plans of Ukrainian companies (41% in Poland and 29% in Germany), with the EU market currently being the main one. An increasing number of respondents indicate that they will focus on the Polish (45%) and German (32%) markets in the future (Gradus Research Plus, 2023).

Infrastructure risks and teams still top the list of risks: according to a survey conducted in May 2023 among Ukrainian IT startups, the main risks are related to electricity (65% of respondents) and internet infrastructure (61% of respondents). This result can be explained by the fact that the survey was conducted shortly after the active power outage. According to the surveyed representatives of the startup community, the biggest threat at the moment is the mobilisation of staff (44%). Startups are optimistic about the end of the war in Ukraine: 54% believe the war will end by the end of next year, compared to 38% of established Ukrainian companies (Gradus Research Plus, 2023).

However, both startups and the USA companies are positive and plan to grow their business in the future (48% of startups and 23% of companies) and moderately grow it (30% of startups and 38% of companies), which indicates high expectations for growth and success despite the war (Gradus Research Plus, 2023).

The study finds that the USA start-ups are more optimistic than traditional businesses and have had higher birth rates since the start of the war. Startups are also more dependent on funding, markets, stable communication infrastructure, and stable teams, but despite this volatile situation, they are optimistic about their growth strategies and prospects for sustainability (Gradus Research Plus, 2023).

Given the ongoing hostilities and significant risks in investment activity, it is important to support existing start-ups and find sources of financial support for domestic industries and emerging start-ups.

Key factors for startup success in 2023:

1. The power of unique ideas. Unique and original ideas are very important, but they are not the only factor in success. Take the Google platform, for example. The concept of an interactive web search already existed, but it was the execution, timing, and planning of the founders that led Google to success. Therefore, entrepreneurs should not rely solely on originality, but rather evaluate all factors and determine what works best for their business.

2. Effective leadership. Leadership plays an important role in the success of any startup. Strong leaders are responsible for making quick and decisive decisions, shaping the vision in line with the organisation's goals, and motivating employees. Knowledgeable

leaders can turn even weak ideas into profitable ventures. Inexperienced leaders, on the other hand, are likely to make poor decisions and underperform. That's why it's so important to have a strong leader at the helm of a startup.

3. Building a competent team. Turning a startup into an industry leader requires a team of people who share the same vision and commitment. The right distribution of roles and responsibilities is crucial for climbing the ladder of success.

4. Identify and target niche markets. After developing a unique startup idea, it is important to identify your target audience. You need to consider demographics, needs, and desires, as well as the problems that your product or service can solve. It is worth conducting market research and interviews with potential customers to get an idea of their habits and preferences. Understanding their behaviour and lifestyle is also important for effective targeting. It is important to analyse their preferences and habits to determine the most effective marketing channels. For example, if your target audience is aged 19-25, using social media as a marketing channel is a safe bet. Invest in advertising channels that reach the target audience and have a strong value proposition to attract and retain customers. This way, you have a chance to effectively position your business and tailor your marketing strategy to the right audience. Ensure that the product is relevant to the market:

1. Market fit is crucial to the success of startups. This requires understanding the target market and creating a product or service that resonates with them. The offer must not only attract customers but also provide a solution to a serious problem that they are willing to pay for.

2. Building a strong network. Networking is an important tool for startup founders. If you need funding, it is also important to talk to investors. It is worth highlighting the aspects that investors pay attention to when making investment decisions. Networking can make or break a business.

3. Flexible business models. In today's competitive business world, it is important to embrace change. Experimentation and adaptation are the key to startup growth.

4. Creating an MVP. A key element of a successful startup in 2023 is the strategic implementation of a minimum viable product (MVP).

Regulation and implementation by the state of innovation and investment activities in the economy in the private and public interests of participants, i.e. to increase the efficiency of the local and national economy and meet other social needs in all sectors, can only be achieved if they are optimally implemented. As soon as the state intervenes in the sphere of innovation and investment activities, it becomes necessary to take into account the public interest. This should constitute the main directions and principles of the state's innovation and investment policy and be implemented, in particular, through state regulation of innovation and investment activities:

1. Setting national priorities for innovation.

2. Creating favourable conditions for the development of scientific, technical, and innovative potential.

3. Create a legal framework to regulate innovation and investment activities.

4. Protection of domestic products and their promotion to foreign markets; use of effective market mechanisms to stimulate innovation and investment activities of start-ups.

5. Information support for innovation and investment activities.

6. Financial and credit support for innovation and investment activities.

7. Introduction of a tax regime.

8. Regulation of investment and innovation activities of start-ups.

9. Provide a set of state guarantees and a number of other control measures.

10. At the legislative level, the state should provide support for the creation and development of innovation and investment organisations Lytvyn, Bulak (2022).

The development of the domestic venture capital market is expected, as the American market is not oversaturated in any segment. This allows American companies to

occupy a free niche and successfully compete. Haustov (2023) points out that the development of the domestic venture capital industry requires targeted and effective state support for start-ups in the innovation sector and venture capital investment in the following areas:

- organisation of guaranteed systems and guarantee of investment insurance;
- introduction by the state of a register of structures related to venture capital investment;
- implement a system of training managers and management personnel for innovation activities;
- obtaining guarantees of intellectual property rights for senior managers;
- developing effective mechanisms for the formation and use of venture capital funds;
- developing a legal framework that regulates legal relations in relation to investment;
- establishing and applying procedures for the admission of foreign capital to the domestic market;
- developing a methodology for assessing market prospects for the commercialisation of scientific and technical products within start-ups.

The USA has significant innovation potential for start-ups, including highly skilled technical resources, as well as an appropriate infrastructure and ecosystem built around start-ups. As a result, an increasing number of startups are gaining international recognition and funding from foreign investors.

Important ways to improve the efficiency of domestic start-ups in international markets include:

- mandatory assessment of the innovation potential and potential market capacity of start-ups;
- entering international markets with high-quality innovative products with a potentially large market;
- building a close-knit team of people who are truly passionate about their work;
- focusing efforts on a single goal;
- closely monitor changing consumer demands and respond to them in a flexible and timely manner Haefner at al. (2021).

The American start-ups should pay more attention to the innovation and originality of their projects in order to take a leading position in the international market and make a profit.

The European path of economic development chosen by American requires the intensification of innovation and investment activities. The dynamism of the national economy's development constantly creates new requirements for the content, formation, and organisation of the system of managing the innovation and investment potential of the national economy, and the turn to the innovation model should become the basis for accelerating its development. Today, the USA economic sphere requires a focus on supporting venture capital funds based on public and private capital, effective implementation of financial incentives, changes in legislative norms, the orientation of fiscal policy in such a way as to support enterprises engaged in active innovation (especially start-ups), and public-private partnerships, which should be manifested in the promotion of public-private partnerships.

Start-ups are one of the key mechanisms that turn good ideas into solutions to some of the world's most challenging economic and social problems. Examples include Google's search algorithm, the Fingerworks touchscreen technology behind Apple's iPhone, and Biontec's mRNA technology behind Pfizer's COVID-19 vaccine. The study shows that the combination of the founder's personality and the personality of the founding team has a significant and meaningful impact on the probability of success.

Today, we see founders of successful startups paying close attention to the personalities of their employees. Using only data on personality traits, they can even train simple prediction tools that distinguish between employees and entrepreneurs with an accuracy of over 80%. Just as data-driven occupational and personality maps can be a tool for career guidance, data on the personality traits of successful entrepreneurs has a significant impact on a company's chances of success. All startups have a high risk, but it also decreases with the number of

founders.
Crunchbase is the leading public registry for venture capital funding. Therefore.

(1) externally funded startups: self-funded and early-stage companies are less likely to be registered;

(2) technology companies: this is where Crunchbase comes from;

(3) companies with several founders;

(4) male founders;

(5) successful and unsuccessful companies, especially those that failed at early stages, are less likely to be reflected in the data.

5. CONCLUSION

Intelligence, knowledge, and new ideas have become the driving force behind modern economies. They are reflected in innovations, the creation of added value for consumers, the generation of additional income for businesses, and changes in economic and social standards of living. The reality of today's business environment, which has developed in the context of an intelligent global economy, requires a revision of classical management thinking about the rules of business, competition, and markets.

The role of innovative entrepreneurial structures in ensuring sustainable economic development in countries around the world is growing rapidly, which is attracting increasing attention from the state, society, and the scientific community.

It is no exaggeration to say that a startup is a studio that generates new business ideas and turns them into high-tech innovative products. The huge intellectual potential of the founder is a key characteristic that allows each project to compete with large companies with limited financial resources at the initial stages. Important components of start-up creation and development are the following

Despite the challenging economic situation and lack of government support, the market for entrepreneurial projects has been intensively developing in the USA in recent years. The domestic startup ecosystem is gaining experience, increasing expertise and venture capital funding, strengthening international relations, and accumulating intellectual capital. Positive factors contributing to these processes are the rising standards of professional training of technical specialists and the rapid development of the information technology industry, which is closely linked to the vast majority of start-ups. Further prospects include a study of the global development of start-ups as an important component of the innovation economy, and the identification of a number of measures that will help create conditions for the post-war reconstruction of the USA and the development of domestic venture capital projects.

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