

Analysis of key success factors of Russian biotech firms

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Abstract. A protracted production cycle that demands substantial resources is faced by Biotechnology companies, which face a long-term production cycle that demands large financial resources. During economic crises in Russia, particularly in biotechnology, there is a significant decline in market demand. During the economic crisis in Russia, as well as in sectors like biotechnology, there is a significant decline in market demand. It is this situation that intensifies competition among existing biotech firms, not only in marketing the products but also in securing capital resources for business development. As to ensure the success and longevity of biotechnology companies, it is imperative that you devise effective management strategies. A company's success and competitiveness is assessed by comparing its strengths and weaknesses with its industry peers. In order to achieve the exceptional performance of a specific enterprise or the industry as a whole, strategic requirements should be aligned with strategic goals. The biotech firms can solidify or maintain their position for some time. This is the reason for biotech firms to solidify or maintain their positions for a certain duration. The concept of competitive advantage in this context is defined by R. Grant, as defined by R. Grant: the process of competition with two companies, where one has a competitive edge that leads to the potential for higher profitability.

1 Introduction

In the classification, the components of the chosen classification can be seen as somewhat subjective indicator of an enterprise's competitive advantages. The components of the classification are considered to be somewhat subjective indicators of its own competitive advantages [1]. As to ensure the objectivity of this indicator, it is important that you conduct an analysis with corresponding performance data on all of these performance measures and compare them with similar results of competitors [2].

In the set of indicators, that characterize an enterprise's operations, biotechnology activities are uniquely reflected in the unique nature of biotechnology activities. As a result, in the balance sheet of biotechnological enterprise, you can observe such features [3]. In the balance sheet of an biotechnological enterprise, you can observe the following traits:

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- In addition, a large proportion of non-current assets is included in the list. The most important part of non-current assets consists of fixed assets, intangible assets, long-term financial investments, and research and development [4].

- The majority of current assets are comprised of accounts receivable and raw material reserves.

- Most liabilities consist of accounts payable and long-term loans and credits.

Because biotech firms engage in activities related to development, production, sales, and the provision of pre-sales and after-sales services, the competitive advantages are evident in the following core business outcomes:

- The capacity of products to meet consumer expectations.

- Offering a wide range of products and additional services that stimulate demand when supplied.

- Pioneering entirely new markets.

- Exceeding product quality levels beyond consumer expectations for specific elements.

- Meeting consumer orders with sufficient product volumes.

- Demonstrating high-quality logistics, refining product delivery technologies, and providing pre-sale and after-sale services.

- Maintaining a balanced price level that satisfies both the enterprise's needs and encourages product demand.

- Offering various discounts and bonuses to consumers.

- Possessing a trustworthy business reputation as a creditworthy business partner.

- Demonstrating adaptability and finding mutually agreeable solutions in typical and atypical situations.

- The extent to which the biotechnological enterprise holds social significance.

These business outcomes of a biotech enterprise become competitive advantages when their level surpasses that of direct competitors [5]. Therefore, it is advisable to emphasize competitive advantages by contrasting the business performance results of the enterprises being studied.

2 Research Methodology

The evaluation of key success factors in biotechnology companies has identified crucial elements within the innovation strategy employed by each specific company [6]. These findings have led to recommendations for managing a biotechnology business, which can be categorized into several key groups: people, patents, legal counsel, product promotion, production certification, and partnerships.

People, as the primary components of a company, play a pivotal role in establishing and operating a successful business in the biotechnology sector. Building a skilled and dedicated team is often the most challenging aspect of starting a biotech venture, making the human factor a critical criterion [7].

Another fundamental aspect of biotechnology business is ensuring the patentability of products and safeguarding intellectual property rights. Therefore, having a corporate lawyer is essential for entrepreneurs in the early stages of business development to mitigate legal risks and provide legal protection.

Although product promotion strategies may vary significantly due to differences in product characteristics, target audiences, and goals, effective marketing remains a cornerstone of a company's successful operation and product promotion [8].

Furthermore, biotechnology enterprises must adhere to specific production and product quality standards. Complying with these standards is crucial for ensuring the quality and safety of biotechnological products.

3 Results and Discussions

In his article titled "Assessment and Enhancement of Cooperative Relations Among Organizations in Biotechnological Innovation Clusters," D.D. Tsiteladze draws attention to a unique aspect of the biotechnology market: the presence of customs barriers that affect the export-oriented products of domestic biotechnology firms [9-10]. The specific products subject to export control are delineated by lists that receive approval through presidential decrees in the Russian Federation.

They are the fundamental components of a company, and building a team is one of the most difficult tasks in the startup process [10]. They are constantly searching for the individuals who have invested their reputations in the company's success. Investors and clients seek to identify the people who have invested their reputation in the company's success. Leadership teams, advisors, directors and other contributors to the startup's creation are essential. Confidence-inspiring, rather than doubtful, management teams, advisors, directors, employees, and other contributors to the startup's creation are essential. Patents:

In the realm of biotechnology, one of the pivotal aspects of conducting business is the patentability of products and safeguarding intellectual property. As previously discussed, the most appropriate approach is typically centered on patenting products.

A crucial element in any business venture is having legal representation. Entrepreneurs embarking on early-stage business development should enlist the services of a corporate lawyer. Legal matters in this context encompass contracts, agreements, licenses, confidentiality pacts, employment contracts, share distribution and documentation, leasing, and more. Experienced corporate attorneys can also assist with executive recruitment, intellectual property protection, ownership issues, product strategy, and business models. Many corporate attorneys specialize in corporate finance, venture capital, and angel funding. Another option is to collaborate with a law firm. Both large and small law firms have their advantages and disadvantages. Smaller firms may offer more flexibility when working with startups, while larger firms might perceive certain actions as too risky and decline a client to protect their reputation [11].

The final stage involves the realm of science and education, which is characterized by its disconnection from the actual economy. Often, research institutes fail to translate their promising developments, including those in biotechnology, into tangible products and services. This issue is primarily attributed to several key problems: insufficient funding for scientific and educational endeavors, a dearth of essential innovation infrastructure, a shortage of qualified teaching personnel, and a general lack of interest from domestic businesses in pursuing innovation. According to a survey conducted by Frost & Sullivan, commissioned by RVC OJSC as part of the preparation of an open expert-analytical report on the progress of implementing the "Strategy for Innovative Development of the Russian Federation for the Period until 2030," it is the absence of demand for innovative advancements from the real economy that stands as the primary impediment to the commercialization of research and development in Russia.

4 Conclusions

The development institutions are also increasingly prioritizing this sector in the investment plan of their companies. The Scientific platforms, such as "Medicine of the Future", "Bioenergy" and "Biotech 2030", play an important role in bridging the gap from business to science. In addition, scientific platforms like "Medicine of the Future", "Biotech 2030," and "Bioenergy", are also used for bridging the gap between business and scientific communities.

Innovative drug production in the medium term will be established, but there are challenges for the development of it. Since the outdated industrial infrastructure of domestic companies, many of them have no certification in terms of GMP standards, together with the absence of a drug insurance system and the lack of transparency in the formation of lists of state-purchased drugs, private sector investment in new projects is not possible.

According to the research, there is a great potential for import substitution in the production of industrial enzymes and biodegradable polymers, agrobiotechnologies like vaccines, antibiotics, feed additives. On preventive medicine, the focus on preventive medicine is gaining momentum through the development of segments like bioinformatic technologies and laboratory diagnostic tests: such as test systems for diagnosis, micromarkers, test systems, biosensors, or biochips. Among other things, the unmet demand for high-tech medical procedures, such as insertion of joints, is expected to drive the growth of an important market with biocompatible materials.

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