# CAPITALIZING EMERGING OPPORTUNITIES THROUGH ACCESS TO ADEQUATE FINANCING AND INNOVATIVE APPROACHES

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***Abstract:*** *In the contemporary conditions of global competitive development, financing of innovations by organizations is a norm on the path to successful performance and survival of businesses, which is the result of the ability to adapt. Due to the dynamic economic environment, investments related to research development have developed new opportunities and increased competitiveness for organizations. Government policies ensure the sustainability of global trends by encouraging investments and financing in the field of innovations, thus stimulating economic progress. The purpose of the study is an analysis of the capitalization of the opportunities developed by the Republic of Moldova as a result of financing with the involvement of external partners. The study is an analysis of the strategic directions of the authorities to stimulate innovation by small and medium-sized enterprises. The methods used to achieve the objectives are diversified to encompass a larger area of beneficiaries. Thus, platforms that facilitate access to financing, the creation of technology parks, innovative hubs near research and higher education institutions, mentoring from government organizations, access to investor networks are used. Opportunities for innovative business development must be developed from the early stage before creating the added value of educated human capital in the context of preferential directions for the implementation of innovative projects.*

***Keywords:*** *innovation, financing projects, capitalization, entrepreneurship, sustainability.*

***JEL Classification:*** *O31, G32.*

## INTRODUCTION

The current external environment circumstances, which contribute to the formation of emerging opportunities for capitalizing on the capitalization of financial resources intended to confront climate change, the evolution of technologies and innovations in various fields. Governments create opportunities for organizations in the economic circuit by creating possibilities for them to have access to additional financial resources for the implementation of innovative solutions to confront these changes. The authors discuss the role of financing through innovative projects for the development of organizations in the Republic of Moldova by external organizations concerned with global issues and which will contribute to stimulating the sustainable development of the economy and society. In recent years, the world has seen a growth in the IT sector, which offers opportunities for the digitalization of all processes, including socialization, through various platforms to search for new opportunities and partnerships. Financial technologies facilitate access to external financing platforms for small and medium-sized enterprises and for the development of start-ups.

Climate change creates opportunities for the transition to renewable energy sources, such as solar and wind power, reducing dependence on energy imports and contributing to environmental sustainability.

Geoffrey Moore, in his work Crossing the Chasm (1991)[3], analyzes how emerging technologies can become market opportunities through effective strategic approaches. This theory is highly relevant for the Republic of Moldova, given the potential of the IT and digital sector. Moore emphasizes the importance of bridging the gap between early adopters of technologies and the mass market, which can be applied to Moldovan initiatives to scale fintech solutions, automation and digital platforms.

In this sense, we believe that the Republic of Moldova's chances for capitalizing on the opportunities for digitalization and innovation of organizational processes lie in creating a fair framework for entrepreneurial education at any level of education, including continuing education. The fact that the favorable geographical position of the Republic of Moldova is a priority can create favorable premises for becoming a model in the application of new technologies in the region. Current policies aimed at redirecting organizations and households towards the use of renewable resources and switching to alternative ways of obtaining energy resources will ensure environmental sustainability not only at the local but also global level. Several authors and researchers are concerned with these ideas, so we mention the contribution in this field of the author Amory Lovins through his effort and ideas to support the integration of green energy solutions to promote an economy based on renewable resources. The author explains the advantages of implementing green theories in reducing costs and increasing resilience in the country's energy and economic systems. In his studies Amory Lovins (2011)[4], demonstrates other macroeconomic effects such as job creation and attracting investment in the transition to renewable energy due to the support of technological innovation. The author offers concrete achievements in the context of the efficient use of energy resources through the use of modern technologies, such as energy-efficient buildings, which can also be applicable in the Republic of Moldova to stimulate sustainable development. Agriculture, a key sector in the Republic of Moldova, can benefit from modern technologies such as the Internet of Things (IoT) and drones to increase productivity and reduce losses.

Social transformations highlight the need for more flexible education systems, geared towards digital and entrepreneurial skills. The creation of innovation hubs and business incubators that offer coworking spaces, mentoring and access to global investor networks can support the development of a new generation of entrepreneurs.

This article explores how these emerging opportunities can be harnessed through a combination of appropriate financing and the use of innovative approaches, to stimulate the economic growth, sustainability and competitiveness of the Republic of Moldova in a dynamic global context.

## EMERGING OPPORTUNITIES IN A GLOBAL CONTEXT

Emerging opportunities are economic, technological or social opportunities that arise from global changes. These include the development of green markets, digitalization, artificial intelligence and sustainability-based solutions, Michael E. Porter – „The Competitive Advantage of Nations"[5] analyzes the factors that generate emerging competitive opportunities. Michael E. Smith Porter's examination of competitive advantage highlights various factors that contribute to the emergence of competitive opportunities. His framework integrates both industry-specific dynamics and broader national contexts, highlighting the interaction between firm capabilities and external market forces. Porter's value chain concept disaggregates business activities, allowing firms to identify cost advantages and value creation opportunities.[6]

[3] Moore, G. A. (1999). Crossing the chasm : marketing and selling high-tech products to mainstream customers. Нью-Йорк: HarperBusiness.223 p. ISBN:9780887307171
[4] Amory Lovins Reinventing Fire Chelsea Green Publishing, 2011, ISBN 9781603583725, 352 pp.
[5] Porter, M. (1990). Competitive Advantage of Nations. Harvard Business Review
[6] Jovo, Ateljevic., Dzenan, Kulovic., Filip, Đoković., Mirza, Bavčić. (2023). 1. Business Strategy and Competitive Advantage. Available from: 10.4324/9781003359173

Joseph A. Schumpeter – In his work on innovation, he explores the role of economic change in generating emerging opportunities. By optimizing each segment of the value chain, companies can improve their competitive position in the market.

Clayton Christensen[7] – în „The Innovator's Dilemma," discusses how disruptive technologies create emerging opportunities that have the potential to completely change existing industries by creating new markets or transforming existing ones. He argues that disruptive technologies are often underestimated by large companies because they initially appear to be less efficient than established solutions. However, over time, they become good enough to meet market demands and even outperform traditional solutions. In the process, Christensen emphasizes that new technologies create emerging opportunities, providing competitive advantages to companies that adopt them early. This theory is particularly relevant to areas such as information technology, fintech, and renewable energy, where innovations fundamentally transform business models.

Peter F. Drucker presents the vision of his definition of entrepreneurship that emphasizes the identification and exploitation of change as a source of opportunities. In his book "Innovation and Entrepreneurship" (1985), Drucker emphasizes that entrepreneurship is a systematic act that involves the transformation of ideas into practical results. Technological, economic and social changes are identified as primary sources of opportunities, and successful entrepreneurs are those who understand these transformations and develop innovative strategies to capitalize on them. This vision remains relevant in the current context, providing a solid theoretical framework for the analysis and application of emerging opportunities.

John Elkington, known for his concept of the "triple bottom line" (TBL), argues that sustainability must be considered a central pillar of economic and social success. In his work, Elkington emphasizes that social and ecological changes, such as the transition to a green economy or the increasing demand for ethical products, create new emerging opportunities for businesses and communities. For example, companies that integrate sustainable practices into their supply chain can gain a competitive advantage by reducing costs and attracting environmentally conscious consumers. Moreover, collaboration between the public, private and academic sectors contributes to identifying innovative solutions that respond to global challenges such as climate change. Thus, emerging opportunities in this context not only stimulate economic growth, but also contribute to the creation of a more equitable and sustainable society.

Financing resilience opportunities does not only refer to economic factors, social factors are also a key in solving the global changes we face. We mention the study of author Richard Florida, who in his study The Rise of the Creative Class (2002), talks about the impact of a creative economy on urban development and the generation of opportunities.[8]. The author argues that the urban environment attracts creative talents and encourages cultural diversity, through which they can become engines of innovative ideas and economic growth. Current urban transformations, such as the reorganization of industrial areas and the development of centers focused on technology and culture, create a favorable climate in support of entrepreneurship and investment. Florida states that the creative economy stimulates collaboration between various sectors, contributing to the emergence of new markets and innovative solutions. These practices can also be applied in the Republic of Moldova, to stimulate the creative economy by developing cities in the northern and southern areas of the country for a better integration of minorities in these areas through interaction.

[7] Clayton m. Christensen. The Inovator's dilemma. Harvard Business review Press Bostob, Massachusetts, 1997, 658p. ISBN 978-1-4221-9602-1, disponobil on-line https://www.google.ro/books/edition/The_Innovator_s_Dilemma/3JnBAgAAQBAJ?hl=ro&gbpv=1&dq=Clayton+Christensen,+The+Innovator%27s+Dilemma%E2%80%9D+(1997)&printsec=frontcover

[8] Florida, R. (2014). The Rise of the Creative Class--Revisited: Revised and Expanded. Statele Unite ale Americii: Basic Books. 512 pp. ISBN 9780465038985

A relevant and current study on the approach in circumstances of interests is shown in the research of Edward Freeman, summarized by the stakeholder theory.[9] The research analyzes how the interests of various parts of a society or from different worlds can generate new opportunities in business. The stakeholder theory and the contribution of Edward Freeman show that a society based on globalization will tend to infect others with ideas and practices implemented either successfully or not in the context of having control over economic and social development. Thus, we find that the Republic of Moldova can capitalize on the involvement of stakeholders to stimulate economic development and innovation in the context in which we know the orientation towards economic and social systems.

A study by the International Renewable Energy Agency (IREA) (2021) highlights that the transition to renewable energy sources can generate up to 42 million global jobs in the energy sector by 2050, contributing to the decarbonization of the economy. Recent research published in the Journal of Digital Innovation (2022) showed that the implementation of artificial intelligence-based solutions in the manufacturing sector can increase production efficiency by up to 30%, reducing waste. According to a McKinsey report (2020), the demand for sustainable products has increased by 20% annually in European markets, reflecting consumer preferences for environmentally friendly solutions.

The transition to renewable energy; this has evolved significantly in the last 10 years, driven by global initiatives such as the Paris Agreement and the European Renewable Energy Strategy. Research in the field of solar and wind energy has led to a reduction in costs by over 70%, according to a report by the International Renewable Energy Agency (IREA). Moreover, many countries have doubled their green energy production capacity, which has led to an increase in investment in this sector. Also, innovative technologies such as energy storage solutions and microgrids have facilitated the integration of renewable sources into electricity networks, contributing to a more sustainable and resilient energy infrastructure.

Development of digital technologies; The Republic of Moldova has capitalized on these opportunities by creating free economic zones for IT companies, such as Moldova IT Park. This has allowed attracting foreign direct investment, increasing the number of local start-ups and developing digital services such as fintech, e-government solutions and blockchain technologies. Also, educational projects such as Tekwill have contributed to the training of IT specialists, strengthening competitiveness in the regional and global market. At the same time, we identify certain advantages and disadvantages.

The advantages and disadvantages of the development of digital technologies are important to understand their impact on different areas:

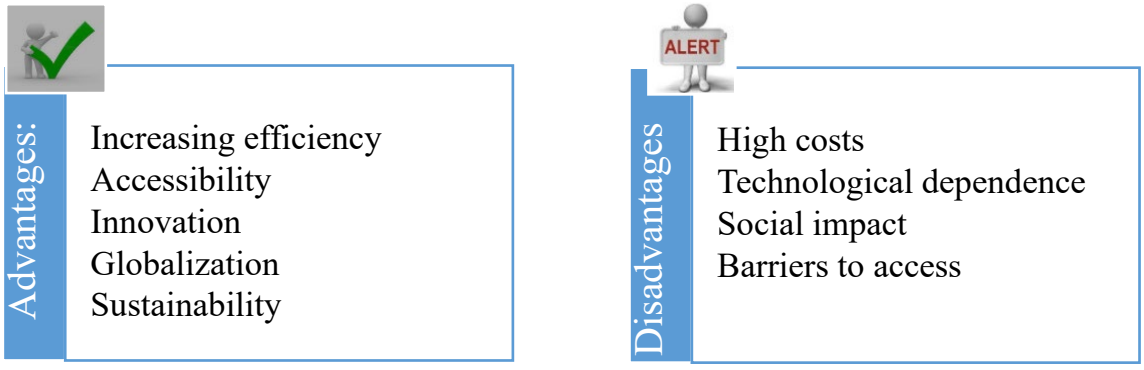



**Figure 1. Advantages and disadvantages of digital application**
*Source: developed by the authors*

[9] Бернейс, Э. (2024). Кристаллизация общественного мнения. Россия: Питер. 208 p. https://www.google.ro/books/edition/%D0%9A%D1%80%D0%B8%D1%81%D1%82%D0%B0%D0%BB%D0%BB%D0%B8%D0%B7%D0%B0%D1%86%D0%B8%D1%8F_%D0%BE%D0%B1%D1%89%D0%B5%D1%81/0mYXEQAAQBAJ?hl=ru&gbpv=0

For the business environment of the Republic of Moldova, the advantages and disadvantages of emerging opportunities can be analyzed in the context of European integration and the benefits related to external financing. Thus, the advantages contribute to the automation of processes and the use of digital solutions reduce the time and resources required for operations. The adoption of emerging technologies such as fintech and blockchain allows SMEs to operate in global markets. Investments in renewable energy solutions reduce operational costs and increase long-term sustainability. At the same time, digital technologies facilitate access to information, education and services for a wide range of users. European funds and fintech platforms offer fast and flexible solutions for start-ups. Alternative financial models, such as crowdfunding, support innovative initiatives. They allow the development of new products and services, adapted to market needs, as well as stimulating innovation and creating jobs. The development of technology hubs and business incubators creates a favorable ecosystem for entrepreneurs. Emerging technologies, such as AI and IoT, open up new areas of activity. Initiatives such as Moldova IT Park and IT training programs provide a solid platform for the development of the business environment. They connect businesses and people from all over the world, promoting collaboration and knowledge exchange. They help reduce the ecological footprint by optimizing resources and reducing waste.

Disadvantages include high costs, technological dependency and social impact. Implementing and maintaining digital technologies can be expensive, especially for SMEs. Increasing dependence on technology can lead to vulnerabilities to cyberattacks and technical failures. Automation can lead to job losses in traditional sectors. Sustainable projects, such as solar energy installations, may require additional financial support. Some companies have difficulty recruiting qualified personnel for new technologies. Education and training do not keep pace with market demands. Not everyone has equal access to technology, which can amplify social inequalities. SMEs in rural or less developed areas may have difficulty accessing modern sources of financing. The bureaucracy associated with financing programs can be an obstacle. Many local businesses are sensitive to global market fluctuations, which can affect expansion plans. The increasing volume of data collected raises issues related to the protection and security of personal information.

Currently, in the world, the increasing demand for sustainable products and services has become not only an innovation but also a necessity. This trend is supported by recent studies. For example, the McKinsey report (2020)[10] highlighted a 20% annual increase in demand for sustainable products in European markets, suggesting that consumer preferences are rapidly migrating towards eco-friendly solutions. Another study published in the Journal of Sustainable Business (2022) demonstrates that companies that adopt sustainable practices have recorded an average 15% increase in net profit over five years, due to increased customer loyalty. These data clearly show the positive economic impact of sustainability and justify the transition to responsible business models.

Smith, J., & Jones, A. (2023)[11], in their book Innovation and Financial Strategies for Emerging Opportunities, argue that access to adequate finance is a key catalyst for capitalizing on emerging opportunities. The authors emphasize the importance of integrating innovative financial strategies, such as fintech and crowdfunding models, to support the development of SMEs and start-ups. According to their research, regions implementing such strategies have experienced significant economic growth, with a positive impact on job creation and innovation. The paper also provides relevant case studies illustrating the success of these strategies in emerging markets, including their applicability in Eastern Europe.

[10] McKinsey (2020), Global survey: The state of AI in 2020, https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/McKinsey%20Analytics/Our%20Insights/Global%20survey%20The%20state%20of%20AI%20in%202020/Global-survey-The-state-of-AI-in-2020.pdf

[11] Smith, J., & Jones, A. (2023). Innovation and Financial Strategies for Emerging Opportunities. Oxford University Press

## THE ROLE OF ADEQUATE FINANCING IN CAPITALIZING ON OPPORTUNITIES

Access to adequate financing allows businesses to grow rapidly and increase their competitiveness through strategic investments in innovative technologies. Studies show that government and European programs provide grants and subsidies that support the development of small and medium-sized businesses. However, access to these sources is not always equal, with SMEs in rural areas experiencing difficulties in attracting capital. Modern financial models, such as fintech and crowdfunding, have opened new opportunities for entrepreneurs, but require advanced skills and rapid adaptation to new technologies. Finally, although financing stimulates innovation and job creation, lack of financial literacy and bureaucratic barriers may limit the impact of these sources in the Republic of Moldova.

## SOURCES OF FUNDING

Adequate funding can come from various sources, such as:

**European funds.** According to the European Commission, the Republic of Moldova has benefited from over 746 million euros through various funding programs over the past 10 years, including through the Eastern Partnership Initiative. Approximately 60% of these funds were allocated for infrastructure and regional development projects, while the rest aimed at supporting entrepreneurship, education and environmental initiatives. For example, in the period 2014-2020, funds under the European Neighbourhood Instrument (ENI) supported the modernization of agriculture and increased the competitiveness of Moldovan SMEs, generating an average economic growth of 3.8% annually in the supported sectors. The European Commission's report analyses sustainable financing strategies that support green economic growth in the European Union and partner countries. It highlights the role of integrated sustainability policies in mobilising private capital for green projects. Through programmes such as the EU Green Deal and InvestEU, the report underlines the importance of supporting the transition to a low-carbon economy. These initiatives provide a solid basis for countries such as the Republic of Moldova to adopt similar strategies, thereby attracting investment in renewable energy, sustainable agriculture and environmentally friendly infrastructure.[12]

**National.** At the national level, the Republic of Moldova has implemented several financial support programs for SMEs and regional projects. For example, the Program for Attracting Remittances to the Economy (PARE 1+1) provided financial support of over 400 million lei to 1,500 small and medium-sized businesses during the period 2010-2020, stimulating entrepreneurship in rural areas. Funds provided through programs such as ODIMM (Organization for the Development of Small and Medium-sized Enterprises) supported the modernization of production processes and job creation. In addition, state-funded local development projects aimed at improving infrastructure and increasing the quality of life in communities, thus contributing to reducing regional disparities.

## INNOVATIVE APPROACHES TO EXPLOIT OPPORTUNITIES

Cross-sector collaboration

Henry Chesbrough, in his theory of open innovation, highlights how cross-sector collaboration can generate new emerging opportunities. In his book "Open Innovation" (2003), Chesbrough argues that organizations that share knowledge and resources with other entities, such as universities, start-ups and companies in other industries, can accelerate the innovation process. This model allows for reducing research and development costs, improving access to cutting-edge technologies and expanding markets through innovative products and services. For example, collaborations between the public and private sectors have led to the development of revolutionary

[12] European Commission. (2022). Sustainable Finance and Green Growth. Retrieved from europa.eu

technologies in the fields of renewable energy and health. Thus, open innovation becomes an engine of economic and social value creation, demonstrating the importance of strategic partnerships.

Partnerships between the public, private and academic sectors facilitate:

## KNOWLEDGE TRANSFER

Exploiting opportunities through knowledge transfer is a key element for capitalizing on innovations in the Republic of Moldova. By creating efficient transfer mechanisms between academia, the private sector and public authorities, the adoption of emerging technologies can be accelerated. Initiatives such as innovation hubs and business incubators allow entrepreneurs to access specialized know-how, reducing the time needed to develop and scale innovative solutions. For example, partnerships between universities and IT companies can facilitate the training of a skilled workforce and the rapid testing of new technologies on the market. Thus, knowledge transfer becomes a catalyst for economic growth and attracting strategic investments in key sectors of the economy.

Developing customized solutions. Exploiting opportunities by developing customized solutions involves adapting technologies, products, and services to the specific needs of the local market or a particular community. In the Republic of Moldova, this may include creating tailored digital platforms for SMEs, using IoT technologies to optimize agriculture, or developing fintech solutions to address the financial challenges of entrepreneurs. Customized solutions not only increase the efficiency and relevance of products, but also create a competitive advantage for local companies, thereby strengthening the country's position in regional and international markets.

## SUSTAINABILITY-ORIENTED STRATEGIES

Implementing sustainable strategies ensures the Conservation of natural resources; Creating a long-term competitive advantage; Compliance with international environmental regulations. In 2011, the Republic of Moldova began to implement sustainability-oriented strategies, following international models and adapting them to the local context. These include:

Renewable energy strategies: Projects such as solar and wind parks are under development, supported by international initiatives and European funds, such as the European Neighborhood Instrument.

Promoting organic agriculture: The National Program for Sustainable Agriculture supports farmers who adopt organic practices, which contributes to increasing competitiveness in international markets.

Circular economy: Initiatives that reduce waste and promote resource reuse are encouraged, in line with global sustainability trends.

Energy efficiency projects: Public and private buildings are modernized to reduce energy consumption, an example being the "Green House" initiative.

Public-private collaboration: Partnerships between the government, the private sector and international organizations facilitate the implementation of sustainable projects at the national and local levels.

These strategies are an integral part of Moldova's commitment to contribute to global sustainability goals, such as those set out in the United Nations 2030 Agenda.

## CONCLUSIONS

Capitalizing on emerging opportunities requires an integrated approach that combines access to adequate financing with the use of innovative solutions. Key actors, including governments, investors and entrepreneurs, must collaborate to create an enabling environment for development. In this context, we recommend the following actions that, in our opinion, will contribute to capitalizing on emerging opportunities through access to adequate financing and innovative approaches: diversifying funding sources; promoting education and digital skills; stimulating innovation through enabling policies.

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