



## **PROMOTING INNOVATIVE ACTIVITIES THROUGH ADVANCED MANAGEMENT AND FINTECH MODELS**

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### **Abstract**

Global economy is undergoing profound changes, impacting people's lives, businesses, and competitive landscapes. These shifts are driven by globalisation, continuous socio-economic development, the growing role of knowledge in the economy, and the intensified development and expansion of the European Union. In this evolving environment, new business models are becoming increasingly significant. Business and markets are no longer constrained by geographical boundaries. Products that were once confined to national markets are now exposed to international competition. With the removal of geographical restrictions, global markets for goods and services have essentially become operational around the clock. In response to these new challenges, companies adapt in different ways to new management and financial regulatory frameworks. To address the competitive challenges and increased competition, companies may choose to apply one or more business models that influence their overall performance. However, in the catering sector, particularly during the COVID-19 pandemic and quarantine periods, small and medium-sized enterprise managers have often neglected modern business management techniques, strategic planning, and company management. These elements are crucial for maintaining economic stability, forecasting future trends, addressing emerging issues, and safeguarding against factors that threaten business success and continuity. Recognising the increasing importance of strategic planning and management, alongside the need for scientific research and evidence-based recommendations, it has become essential to analyse a company's strategic position and its operational capabilities within this field. Every organisation must have a clear understanding of its current identity and future aspirations. For an organisation to grow and achieve its objectives successfully, it must employ advanced management methodologies and establish a well-defined strategy – a well-defined operational system. While setting goals can be straightforward, their realisation is significantly more complex. Once a company's strategy is defined, it requires careful implementation. An action plan must be created to ensure the strategy's success, including budgeting, the development of an effective implementation mechanism, and tools for monitoring and evaluating the quality and progress of the plan. Employees responsible for specific strategy points and plan execution must be assigned. These are the next essential steps for the organisation. The key to success lies in responding swiftly to the ever-changing business environment and adjusting strategic directions and implementation measures as needed with a particular focus on strategic change management and the introduction of new, innovative management methodologies.

**KEY WORDS:** Innovative activities, management models, fintech.

**JEL Classification:** G32

### **Introduction**

The promotion of innovative activities in business enterprises through advanced management and financial technology models is tied to the relevance of this research. Every business enterprise must understand its current state and what it aims to become in the future. To grow and successfully achieve its objectives, it must utilise advanced management methodologies and have a strategy in place, which represents a targeted operational system for the company. In a dynamically changing environment and intense competitive landscape, long-term organisational development planning – of which strategic planning is the key component – becomes increasingly important. The primary goals of any operational company are typically centred around maximising profit with minimal costs and ensuring business continuity. One of the most effective ways to accomplish these goals is through the formation and execution of a robust strategy. This means that a well-defined strategy, built upon strategic planning methodology and supported by new technologies and advanced management practices, has become one of the most critical

tools for business management. Business activities are now linked to flexibility and regular review of actions in a rapidly changing world, usually encompassing the last three years (Fisk P.2016). At the same time, in pursuit of innovative activities, companies need to set long-term goals and objectives, adapt operational directions, and allocate resources to achieve these goals (Chandler, 1962). This approach is understood as a structured and targeted operational system (Mintzberg H., 2009). According to G. Palubinskas (2021), scientific research is conducted to justify the structural possibilities of a business enterprise, allowing for the implementation of reasoned management and fintech methods, which are essential for achieving selected goals and objectives. Emphasizing the problem of how to create an economically useful, modern, company value-increasing strategy in difficult market conditions, for this purpose UAB Nerija was reorganized from UAB Kopa, which had been operating since 1994. The main activity of the company is defined as the production of goods, as well as wholesale and retail sales, organization of catering establishments. UAB Nerija's field of activity is catering establishment organization. Managers of small and

medium-sized enterprises of catering establishments, especially during the period of COVID 19 and quarantine, pay too little attention to modern business management methods, strategic planning and management of enterprises to control their economic situation, predict events and solve problems, when it is possible to do so, protect themselves from circumstances and events that hinder business success and threaten survival. Realizing the increasing importance and necessity of strategic planning and management based on scientific research and recommendations, it has become relevant to examine the strategic situation of the company's activities and its operational possibilities, specifically in this field of activity. It is appropriate to examine the optimization of the company's management model and technologies to achieve better performance (ensure operational efficiency). The article compares the innovative management theoretical principles of Lithuanian and foreign authors, evaluating alternative strategies of a business company and selecting the best one based on innovative management IT Fintech models.

The practical significance of the results of the article is shown by the fact that the results of the study and the presented conclusions and recommendations open opportunities for the group of companies to avoid mistakes in business development, indicate the direction of activity in today's difficult conditions of the market economy and competitiveness. The formed company strategy allows you to move forward, achieve the set goals and protect yourself from circumstances and events that hinder the success of the business. After the company's strategy is formed, an action plan is necessary, including a budget, an effective implementation mechanism that will help to effectively control and assess the progress and quality of the plan's implementation, respond promptly to the changing conditions of the business environment and adjust the directions of the strategy and the factors of their implementation. When developing this topic, it is necessary to pay special attention to the management of strategic changes and the introduction of new, advanced management methodologies.

Strategic planning focused on innovation is a crucial process, as nothing has a greater and more lasting impact on a company and its operations than decisions about its future direction and strategy implementation. A company that fails to allocate adequate attention to strategic planning often relies on incorrect forecasts and may eventually cease to exist. Therefore, leaders aiming for business success must think strategically about their company's competitiveness and its shifts in response to changing conditions. Managers pursuing long-term success must be capable of both formulating and implementing strategy.

Strategic planning is a recurring process. While the company's purpose and goals may remain unchanged for several years, the strategies for achieving these goals evolve and must be continuously modified for maximum effectiveness. Planning encompasses everything that can impact the company, including economic, technological,

social, and political factors. Strategic planning helps to anticipate and address key issues related to changes in products, services, their structure, and the company's behaviour. Thus, strategic planning focused on the innovation process offers numerous advantages to a company:

- Innovation, with a focus on innovation, emphasises the competitive nature of the organisation, allowing managers to think more analytically about the organisation, its environment, and various opportunities for beneficial operations. As the company gains a better understanding of its external environment, as well as its weaknesses and strengths, its ability to make effective strategic adjustments is significantly enhanced.

- The innovation process defines the company's boundaries and provides formal direction for the organisation, helping owners, managers, and employees concentrate on specific goals and actively pursue them (Kotamaki, 2023).

- Innovation opens new perspectives for the organisation. Moreover, it must be prepared in such a way that modifications and reorientation can be implemented if necessary.

## **Research problems and market overview**

Rapid changes in technology, logistics, lifestyle, customer needs, and requirements, along with increasing competition, demand a higher level of systemic and statistical thinking, as well as more extensive management practice compared to the micro-management activities of the past. The challenges of "big data" are well-known today, and their impact extends beyond business interests, being strongly felt in technical fields as well. Thus, management concepts and tools are in fact much more dynamic than many people have thought so far. This also means that the profession of management and the training of professionals in this field must continue to adopt new methods and technologies, as quality tools are always aimed at maintaining a universal and effective influence on business competitiveness. Every adaptation to evolutionary or revolutionary changes requires innovation in itself. It is also important to note that innovation never occurs in a vacuum. The environment for innovation can be a country, industry, society, organisation, institution, or even a specific group of individuals. Meanwhile, closed systems do not require innovation. Only when a system is open does it become subject to unusual innovations from the external environment (Simon, 1947, Thompson, 1967). The world has never before experienced such a dramatic impact on human capital; and the consequences of the COVID-19 on economic, social and political indicators – although still not fully known and difficult to forecast, but according to many authors and international organisations will certainly be dramatic (Martinkienė, et. al., 2021). It is these changes, which trigger partially controlled and uncontrolled adaptation processes that are later referred to as innovations. Based on these theses, innovation can be seen

as a phenomenal phenomenon operating on two levels. First, it affects a specific entity, which could be an individual, a team, or an entire organisation. Second, through this entity, innovation reaches broader audiences in its environment. According to F. Pot and F. Vaas (2008), social innovation is part of the process and product innovation. It is related to the implementation of industrial relations and human resource management. The authors highlight four reasons why social innovation has become particularly important. First, it aims to increase labour productivity, maintain the overall level of well-being, and improve social protection, considering the general aging of the population. In many countries, there is open discussion about enhancing collective labour productivity. Efforts are made to strike a balance between more intensive work, longer working hours, and newer methods that improve labour productivity.

The second reason for the importance of social innovation is the growing need to utilise existing skills and create new ones, enhancing employees' competencies to maximise the workforce's potential and create greater added value (Pot, Vaas, 2008). This added value becomes a critical element of a competitive, knowledge-based economy. The European Union emphasises the need to promote the training of workers with specific skills and competencies for high-qualification positions. Such specialists should contribute to the overall well-being of employees, improve the quality of services and products, increase the overall productivity of companies, and encourage innovation. In this way, a kind of self-sustaining "mechanism" is created that promotes, monitors, and continuously improves itself while influencing the entire market. After the amendments to the Lisbon Strategy in 2005, the main task was formulated: to promote stronger long-term growth and create more and better jobs.

The third reason is that companies or organisations can only derive the maximum benefit from technological innovations if technological innovations are part of social innovations (Pot, Vaas, 2008). This includes distributing production processes to appropriate organisations or parts of them. Equally important are dynamic management, upskilling, and, crucially, employee involvement. The authors note that technological innovations and scientific research in the Netherlands are highly advanced. However, despite this, the utilisation of knowledge for product, service, and process innovations remains minimal. In other words, organisations poorly absorb innovations. This is referred to as the innovation paradox.

The fourth reason is that social innovation becomes significantly more important to the innovation process than technological advancements (Pot, Vaas, 2008). Research in the industrial sector conducted at the Rotterdam School of Management shows that 25 per cent of the success of innovations is attributed to technological innovations, while the remaining 75 per cent is due to social innovations. Thus, it is clear how impactful social innovations are and how strongly they affect business and society. In this way, it can be argued that the existence of innovations in different fields leads to entirely different

definitions of innovation and research aspects. In general terms, innovation is understood as a completely new phenomenon, technology, strategy, or product. Innovation is most often referred to as a novelty. All innovations are intended either to improve existing goods or services or to create entirely new inventions. For a long time, innovation was used to enhance the efficiency of commercial activities, and only recently has it been directed towards directly increasing social welfare, becoming a new way to solve social problems. Another aspect is the improvement of business processes, which has become a significant issue from both scientific and practical perspectives. There is a growing need to address unconventional tasks related to innovative activities, integrating information technologies within organisations. Since various processes dominate business activities, reflecting the company's operations, which are often chaotic and difficult to structure, improving business processes is a complex task that has been poorly researched from a scientific standpoint. Innovative activity has become an inseparable part of business and is understood as a tool for organising business operations. One of the primary and most important tasks in improving processes is their identification and the proper development of the business model. Proper identification of processes, defining their boundaries, establishing relationships with other processes, and applying a corresponding business model are crucial steps in improving a company's operations, determining the effectiveness of performance improvement. The faster employees grasp new technologies and start using them in the company's daily operations, the quicker the company will adapt and achieve better results. Therefore, for a company to survive and succeed, it should integrate information technologies into its business processes and implement enterprise resource planning (ERP) systems. In today's business environment, notable technological aspects of organising company operations and modern means of information transmission save time, optimise performed operations, and help conserve valuable employee work hours. Information technology and its continuous development are key factors driving the increasing transfer of business into the virtual space. ERP systems provide new opportunities for every business process, which can now be executed in a virtual environment. However, the use of ERP systems is closely tied to the resources available to the company. Most companies often lack sufficient funds for ERP system implementation, even though they understand the benefits it provides. The economic situation affects factors revealing financial stability (Lileikiene, et.al, 2023). Large companies have a significant advantage in this area, as they have far greater resources to invest in business modernisation. Therefore, companies using business models suitable for the virtual space tend to progress faster and attract more customers. The effectiveness of such a business model depends on the ability of the company to take advantage of market opportunities, its ability to meet consumer expectations and its ability to achieve its goals and objectives.

## **Presentation of an innovative business model for catering establishments and systematic analysis of the current situation**

The digital revolution, changing consumer needs, and unexpected global events, such as the COVID-19 pandemic, acted as catalysts in this sector, encouraging an innovative approach to business development (Esposito et al. 2022; Michael S. Kaufman, Lena G. Goldberg, and Jill Avery 2020). In this section, we aim to analyse the existing innovative business models emerging in the restaurant industry and how they are reshaping dining experiences, customer engagement, and operational efficiency. In today's world, a restaurant's success depends not only on classic factors such as location, food quality, and customer service. The use of digital technologies in business is increasingly becoming a decisive aspect, advancing alongside the integration of artificial intelligence, the Internet of Things (IoT), and mobile technologies that are transforming how restaurants interact with customers, manage operations, and plan their services (Calderon-Monge and Ribeiro-Soriano, 2023; Trenerry et al. 2021). This technological integration has changed the paradigm of the restaurant business, from complex reservation systems and personalised marketing solutions to automated inventory management and AI-driven customer demand analysis.

At the same time, there has been a noticeable shift in consumer expectations and behaviour. Today's restaurant patrons increasingly seek experiences that not only satisfy gourmet needs but also align with their personal values and lifestyle (Chua et al. 2020; Kraus et al. 2022; Yrjölä et al. 2019). All of this has led to the emergence of business models based on sustainability, health, and personal well-being. Business concepts such as farm-to-table, the use of organic local products, and others meet the expectations of discerning consumers and highlight the sustainability of the dining establishment, its lean towards "green business," and its support for the local community (Adam Ali, 2022). In addition to these consumer-oriented innovations, the restaurant industry is also exploring new operational models to enhance business efficiency and profitability. The innovative model of "ghost kitchens" perfectly illustrates this trend – such businesses no longer require a physical customer service space. This not only reduces overall costs but also capitalises on the growing demand for food delivery services (Nigro et al. 2022; Norris, Taylor Jr, and Taylor 2021). Similarly, subscription-based services offer new revenue streams and customer engagement strategies for establishments in the food service sector (Tony Chen et al. 2018). These evolutionary steps in the food service industry are not just reactive measures to changing business conditions but signal a deeper transformation within the industry. This shift is characterised by a movement away from traditional, static business models toward more flexible, adaptive, and customer-centric ones. It reflects the food service industry's ongoing state of change and transformation, increasingly

incorporating digital solutions, sustainable business models, and innovative service delivery methods into its daily operations. One such model is the "farm-to-table" approach. The farm-to-table concept emerged as the number of consumers seeking to contribute to sustainability policies and desiring to consume fresh, local products increased. This business model promotes direct collaboration between restaurants and local farmers and other food raw material suppliers, ensuring that food sourcing is sustainable and that the products are always fresh and of the highest quality. Of course, like any business model, this one has both advantages and disadvantages (Adam Ali, 2022; Tippins, Rassuli, and Hollander, 2002).

It comes with significant drawbacks, such as seasonality, unpredictability, and increased costs, but it offers a compelling alternative to traditional restaurant business models. It not only addresses growing consumer expectations for sustainability and quality but also strengthens the local economy and promotes conscious consumption. For restaurants that can effectively manage the challenges associated with this business model and maintain high service quality, the "farm-to-table" model can provide a significant competitive advantage in the market. This allows them not only to stand out among competitors but also to create deep, long-term connections with customers who value authenticity, quality, and sustainability.

The next model, which has gained a foothold in the market, is the so-called "Ghost Restaurants," also known as virtual or invisible kitchens. This innovative restaurant business model has fundamentally changed the traditional concept of food production and delivery. This model allows restaurants to operate without the traditional, easily recognisable restaurant space that customers are accustomed to. Establishments based on this model focus solely on food delivery to homes or offices. Ghost restaurants offer flexibility and require lower initial investments (Nigro et al. 2022; Shapiro, 2023; Snyder, 2020). However, the model faces challenges such as lack of visibility, the need for marketing investments, the absence of direct customer feedback, dependence on food delivery platforms, and maintaining consistent quality. Despite these drawbacks, the ghost restaurant model presents a unique opportunity to reach new customer segments and expand the business without significant upfront investments. This model is particularly attractive to new entrepreneurs or existing restaurants looking to diversify their operations. The key is an effective business strategy, the ability to stand out in the highly competitive delivery platform market, and ensuring quality and a positive customer experience.

The "*Meal Kit and Prepared Food*" concept is an innovative business model that emerged in response to modern consumers' needs to combine convenience, healthy living, and high-quality nutrition. This model allows customers to cook at home by delivering pre-prepared, measured ingredients and recipes. While this concept has

many advantages, it also faces certain challenges (Cho et al. 2020; Moores et al. 2021; Robinson-Oghogho, Thorpe, and Neff 2022; Widener et al. 2021), such as: 1) higher cost: meal kits are generally more expensive than traditional grocery shopping and home cooking, 2) environmental impact: all delivered ingredients are individually packaged, which can negatively affect the environment, especially if the packaging is not eco-friendly or recyclable, 3) limited menu variety: Although a wide menu is offered, it is still limited compared to self-prepared meals, 4) logistical challenges: this business model requires efficient logistics and a secure cold chain to keep ingredients fresh and suitable for consumption, 5) dependency on suppliers: the quality and freshness of prepared food depend on suppliers' ability to deliver products to the distribution centre on time and properly, 6) compatibility with lifestyle: this meal model may not suit customers who prefer to be more experimental in the kitchen or who have the time and inclination to plan and prepare their own meals, 7) need for innovation: to maintain existing customers' interest, it is necessary to continually update and improve the menu, 8) brand challenges: as in any food service business, it is crucial to create a strong brand image and maintain a high standard of customer satisfaction to stand out in a competitive market.

The "Meal Kit and Prepared Food" model opens opportunities for consumers who want the convenience and quality of home-cooked meals, as well as for businesses seeking to reach new markets. This model is particularly appealing in today's fast-paced society, where time-saving and healthy eating are priorities. Although challenges related to logistics, packaging waste, and cost remain, the benefits and opportunities for personalised nutrition are undeniable. It is important for users of this model to continually seek new ways to reduce environmental impact, ensure product quality, and meet consumer expectations.

The *subscription-based service model* in the restaurant industry reflects modern consumer trends focused on convenience and quality assurance. This business model transfers the traditional dining experience into the customer's home, allowing them to regularly enjoy high-quality food without leaving their home. The model is structured so that customers sign up for a subscription that can be tailored to their dietary preferences, health requirements, or lifestyle. Subscriptions may include various services, from daily or weekly food deliveries to special meals prepared and delivered at the customer's specified time. This enables restaurants to build a loyal customer base and ensure a steady revenue stream. The subscription model also allows restaurants to better plan their resources, food inventory, and staffing needs. Of course, as with any business model, there are certain challenges related to customer engagement, supply, and business sustainability (Carman et al. 2021; Kotamaki, 2023; Fraser et al. 2023; Gibson and Partridge, 2019; Laporte, 2020; Robinson-Oghogho et al. 2022).

In the *experiential catering* concept, the focus is not only on the food but also on the experiences that come with the dining experience. This model has transformed the traditional approach to restaurant services. The concept encompasses more than just using high-quality ingredients or artistic presentation – it aims to create a fully immersive experience, including unique environments, interactivity, entertainment, or even educational elements. This approach to catering allows customers to experience something unique and memorable. Businesses adopting this concept often integrate innovative technologies, show elements, themed menus, or even natural elements to create a dynamic and engaging environment. This not only enriches the customer experience but also adds value that can encourage people to return and relive similar experiences. The model also reflects the modern trend of valuing life experiences over material possessions. Consumers, particularly younger generations, seek meaningful and authentic experiences that provide new stories and memories. The experiential dining concept ideally meets these expectations by offering not just food but the chance to experience something new and unusual.

Although the experiential dining concept provides restaurants with an opportunity to stand out in the market and build a strong brand with loyal customers, it also presents certain challenges. Successful implementation of this model requires not only creativity and innovation but also significantly higher initial investments and higher operational costs. Additionally, restaurants must continually seek new ways to maintain customer interest to keep the model attractive and competitive (Milwood and Hartman-Caverly 2022; Spence, Mancini, and Huisman, 2019; Spence, Youssef, and Levitan, 2021).

The concept of *food vans and pop-up restaurants* (temporary) reflects modern flexibility and innovation in the food industry, allowing businesses to quickly respond to market changes and directly engage with their customers in various locations. This model offers a unique opportunity to experiment with menu and operational locations while requiring lower initial investments compared to traditional restaurants. Food trucks and pop-up restaurants can be highly mobile, allowing them to reach a wide audience across various city locations, events, or festivals. This business model is especially favoured by modern consumers who value diversity, mobility, convenience, and innovation. Food trucks and pop-up restaurants can offer high-quality, innovative food solutions, often targeting specific niches or specialised cuisine, such as vegan or global street food. Such operations help reduce costs associated with maintaining a permanent location while allowing for dynamic location changes based on customer traffic and seasonality. Additionally, food trucks and pop-up restaurants can serve as marketing tools, boosting brand awareness and developing a loyal customer base before investing in a permanent location.

However, despite these advantages, the food truck and pop-up restaurant business model also faces challenges, including logistical complexity, competition, and the

process of obtaining locations and permits (Isoni Auad et al. 2019; Lichy, Dutot, and Kachour 2022; Milwood and Hartman-Caverly, 2022; Seo and Lee, 2021; Thompson and Media, 2021; Wallace, 2021).

In today's global market, the *zero-waste* and sustainability-oriented business model in the restaurant industry emerges as a necessary response to growing consumer awareness and the desire to reduce ecological footprints. This model encourages restaurants and food supply companies to implement practices that not only reduce waste and food spoilage but also promote responsible use of resources, energy conservation, and sustainable supply chain solutions. By integrating zero-waste principles into their daily operations, restaurants can not only make a significant contribution to environmental protection, but also effectively reduce their operating costs, while enhancing their brand value and appeal to their sustainability-conscious customers.

Despite the clear benefits of this model, it also presents challenges related to its implementation, initial investments in sustainable technologies, and the need to alter both business and consumer habits. A sustainability-oriented model requires not only technical but also cultural changes to ensure long-term business success (Marsh and Bugusu, 2007; Martin-Rios et al. 2018; Martin-Rios, Demen Meier, and Pasamar, 2022; Pirani and Arafat, 2014; Sullivan et al. 2021).

The innovative dining business models outlined reveal a dynamic market landscape filled with opportunities and challenges. Each model offers unique advantages, such as exceptional customer experiences, lower initial investments, flexibility, and opportunities for enhancing sustainability. However, all these models have their own inherent drawbacks, such as higher operational costs, the

complexity of logistics chains, and the continuous need for innovation and customer engagement. These models reflect the food industry's response to changing consumer needs, technological advancements, and growing attention to sustainability.

### Analysis of financial situation

The financial condition of a business is clearly indicated by its financial risk, which is calculated as follows:

$$FR = VEF \times FS \quad (1)$$

This reflects the business's financial efficiency in relation to its financial structure. If, in the previous financial year, the financial risk was 0.58 percentage points ( $2.1 \times 0.29$ ), this year the financial risk deteriorated to ( $-1.22$ ), or  $2.66 \times 0.46$ . Thus, businesses must be categorised into four groups based on financial risk (Table 1):

**Table 1.** Financial riskiness of a business enterprise

	<b>Solvent</b>	<b>Insolvent</b>
Profitable	Tier I company	Tier II company
Unprofitable	Tier III company	Tier IV company

The analysis shows that the company falls into Group III, characterised by unprofitable operations but with the potential to partially meet obligations. The study of the business enterprise shows that the financial situation was such that a significant part of the financial resources were directed towards illiquid assets, such as intangible assets and inventory, which have not been used efficiently and have not created added value (Table 2) A.Blank's fintech model.

**Table 2.** Illiquid assets model

Illiquid assets	PFM	FM	Financial condition PFM	Financial condition FM
$NA + Am < K_n$	$54073 + 32734 < 86807$	$48584 + 50219 < 59196$	Very small	Very small
$NA + Am < Kn + Bi$	$86807 < 80916 + 0$	$998803 < 59196 + 0$	Allowed	Allowed
$NA + Am < Kn + Bi + Bt$	$54073 + 327354 < 80916 + 33292$	$98803 < 59196 + 50002$	Large	Large
$NA + Am > Kn + Bi + Bt$	$54073 + 327346 > 80916 + 33292$	$98803 > 109198$	Very high	Very high

The Fintech research model allowed for the assessment of the liquidity of assets. Both in the current and previous financial years, the business's financial risk was high.

The Altman model indicates that the S-score model for unlisted securities should be used for the analysis (Table 3):

$$Z_m = 0.717 x_1 + 0.847 x_2 + 3.10 x_3 + 0.420 x_4 + 0.995 x_5 \quad (2)$$

**Table 3.** The Z -score model for unlisted

$x_1 = \frac{AK}{Y}$	0.24	0.1
$x_2 = \frac{NP}{Y}$	0.13	(- 0.2)
$x_3 = \frac{NPP}{Y}$	0.13	(- 0.2)
$x_4 = \frac{NK}{Y}$	2.4	1.18
$x_5 = \frac{ML}{Y}$	6.4	7.47

Analysing the business's financial condition using the Blank's model, it is evident that it is unstable and approaching a severe financial crisis. This suggests that the company is using financial resources to create illiquid assets without adding value to the company. The Altman model, analysed using the securities algorithm not focused on unlisted stocks, failed to reveal trends and distorted the research results, rendering the research data unusable.

During the research, sufficient data were available to reveal the business's financial condition and trends, indicating financial instability and the need to reorganise UAB Kopa into a new innovative business entity, UAB Nerija, by implementing advanced management models.

### Research findings and recommendations

To improve and successfully achieve its goals, each organisation must employ advanced management methodologies and have a well-defined strategy, which is a systematic approach to company operations. Nerija UAB appeared as a result of reorganised Kopa UAB which had been operating since 1994. The main activities of the company are identified as goods production, wholesale and retail sales, and the organisation of food service establishments. The current operational focus of Nerija UAB is on provision of catering services. In a dynamically changing environment and intense competitive landscape, long-term organisational development planning – of which strategic planning is the key component – becomes increasingly important. The primary goals of any operational company are typically centred around maximising profit with minimal costs and ensuring business continuity. One of the most effective ways to accomplish these goals is through the formation and execution of a robust strategy. This implies that one of the key management tools for the company is a well-defined strategy, based on strategic planning methodologies and utilising new technologies and advanced management techniques. Therefore, when describing the strategy, it is important to distinguish between two aspects. According to H. Mintzberg, strategy can be understood both as a concept and as a process.

The digital revolution, changing consumer needs, and unexpected global events, such as the COVID-19 pandemic, acted as catalysts in this sector, encouraging an

innovative approach to business development (Esposito et al. 2022; Michael Kaufman, Goldberg, and Jill Avery, 2020). The use of digital technologies in business increasingly becomes a decisive factor, in conjunction with the integration of artificial intelligence, the Internet of Things, and mobile technologies that change how restaurants interact with customers, manage operations, and plan their services (Calderon-Monge and Ribeiro-Soriano 2023; Trenerry et al. 2021). This technological integration has transformed the restaurant business paradigm, starting with complex reservation systems and personalised marketing solutions. Business concepts such as farm-to-table, the use of eco-friendly local products, etc., meet the expectations of discerning consumers and highlight the sustainability of food service businesses, their inclination towards "green business," and promote community support, up to automated inventory management and AI-based analysis of customer needs.

Analysing the financial condition of the business using the Blank's model, it is evident that it is unstable and approaching a significant financial crisis. This suggests that the company is using financial resources to create illiquid assets without adding value to the company. The Altman model, analysed using the securities algorithm not focused on unlisted stocks, failed to reveal trends and distorted the research results, rendering the research data unusable. During the research, sufficient data were available to reveal the business's financial condition and trends, indicating financial instability and the need to reorganise Kopa UAB into a new innovative business entity, Nerija UAB, by implementing advanced management models. To achieve results for Nerija UAB, it is essential to apply strategic stabilisation options focused on a continuous growth model, based on encouraging innovative activities and implementing advanced management models described in the study.

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