



Innovative Approach to Business Education in SMEs in the Knowledge Economy of the 21st Century

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The contribution is interdisciplinary in nature. Aim of the contribution is to suggest some innovative concept for modern managers, which could prevent bankruptcy in the 21st century. Partial aims are following: identify 3 categories of financial risks, create schemes, according which could managers prevent these risks and finally create innovative method “Business Coin Concept” TM, which is suitable for business education during the business life cycle in the 21st century. To main financial risks belong: secondary inability to pay (insolvency) - SIP, fines and penalties by state authorities - FPSA and primary inability to pay – PIP. Then are identified tools to reduce these risks – e.g. SIP by financial analysis ex post and ex ante. In next step are identified information resources available to the manager to recognize financial risk and make an adequate decision – e.g. for SIP public and commercial database. The final output is the data evidence in the company information system. Data evidence is composed of 3 subsystems: financial, tax and managerial accounting. Authors also identify the main reasons for the manager to understand the content and connection of financial and managerial accounting when knowing the symptoms of the imminent bankruptcy of the company. The last step of the scheme is connection between 3 accounting subsystems. Main benefit of research is the creative educative method Business Coin Concept TM, which could we use not only by business education of entrepreneurs, but also by students of secondary schools. This suggestion will reduce the probability of financial loss of the company. Conclusion of article contains social and economic significance of suggested innovative approach, there are also some future extensions and limitations of research.

Keywords: business education, SMEs, innovations, knowledge economy, lifelong learning, financial and economic literacy, Business Coin Concept™

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INTRODUCTION

The education plays an evolutionary role in all fields and activities, education helps people to become professionals, allows them to develop and learn specific skills and techniques relevant to the profession. Higher or professional education affects a person's future prospects, the possibility of career growth and success, working in the highest paid positions and circles of successful companies. We have entered the digital age, which is experiencing extreme global development in information technologies, and at the same time, customer demands for innovations in goods and services, changes in business conditions, post-delivery service, etc. are accelerating. Owners of small and medium-sized enterprises are not satisfied with their professional focus, on the basis of which they started their business and had a competitive advantage in it (Surmanidze & Beridze, 2023; Stetar et al., 2024).

One of the basic prerequisites for the effective functioning of small and medium-sized enterprises at the domestic and international level is decision-making, and it follows that the main factor in the overall quality of management is the quality of the decision-making process with a sufficient amount of adequate information. The process of innovation, changes in the structure of production and demand associated with the application of the latest scientific and technical knowledge make decision-making even more important. After 2020, companies face the consequences of the corona crisis, and therefore it is necessary to improve their financial and economic literacy by new methods (Kubičková, 2023; Suparno et al., 2024).

In order to recognize the symptoms of the imminent bankruptcy of the company and maintain the company's competitive ability, it is necessary to expand and apply proven scientific knowledge to the management of the company as quickly as possible and with the effect of synergy in all business processes and activities. The basic understanding of the combination of 3 concepts, namely "consciousness + science + knowledge" is fully reflected in the knowledge economy of the 21st century. It is a creative economy, because in the end, new value is created, the productivity (so-called materialization) of potential occurs. Creativity is a valuable strategic economic means by which an entrepreneur becomes different from others with his business activity. However, it is not only the status of "I have distinguished myself" that is decisive for an entrepreneur, but he must subsequently also continuously maintain this distinction on a daily basis: "I still want to distinguish myself" as stated (Ubrežiová et al, 2021; Gallo et al, 2018; Aladwan et al., 2023). Research indicates that innovation practices are crucial for companies to thrive during economic reforms (Grydzhuk, 2008; Rexhepi et al, 2013).

Bessant & Tidd (2011) as well as Tidd (2012) explain innovation management as a demanding and complex management discipline that tries to manage all activities leading from the idea itself, through research and development to the commercial use of a product or service. Innovation includes a whole range of processes. Decision making is not spontaneous, it is a conscious process. Innovation management is a dynamic process that requires constant attention and constantly addresses costs and risks. Trommsdorff (2007) divides and distinguishes the following types of innovation, minimal product innovation - minimal product innovation includes, for example,

options or simple product modifications. This includes, for example, small technological improvements, which, however, bring with them changes to the organization as a whole; product innovation with a medium degree of innovativeness - this type of innovation mainly prevails in the corporate economy. This is, for example, the expansion of a product line or the creation of new products in an already existing product line, and radical product innovation - radical innovations become a prerequisite for a much higher profit for the company than is the case with a medium level of innovation. It is a rule that high profit often carries with it high risk. In this case, it is the risk of innovation failure. Also from the mentioned point of view, significant attention is paid to the position of small and medium-sized enterprises in a competitive environment in the knowledge economy and to the application of an innovative approach according to Diačiková & Lach (2020).

Corporate Social Responsibility is the main factor in implementing innovations in business entities. Innovation and corporate social responsibility are inextricably linked. This study's statistical analysis demonstrates that innovative SMEs do not necessarily need to focus on CSR activities, policies, metrics, reporting, or codes of conduct. Small and medium-sized enterprises (SMEs) should prioritize business strategy, innovation, and sustainability. This approach allows CSR to be strategic and proactive, rather than reactive. This is especially relevant in the upcoming economic crisis, which could be the most severe in history. Survival will increasingly rely on innovation. Implementing CSR through innovation has the potential to benefit fragile SMEs (Gáborová, 2020).

Literature Review

Most future entrepreneurs are attending school today (university or special business courses). Therefore, universities need to supply necessary education to encourage students to cope with future conditions and development and to understand basic principles of financial and economic literacy (Liu et al., 2023). Increasing financial and economic literacy in the population of youth and adults is a prerequisite for preventing financial problems of individuals and companies. The larger part of the population will have the opportunity to learn about personal finance already during schooling, the higher the assumption that they will avoid complications related to money and property management in the future (Gončárová, Piteková & Ďurajdová, 2023).

Generally about small and medium enterprises (SMEs)

This contribution is focused on business education in SMEs, which they have the largest share in GDP creation. The SME sector accounts for a significant portion of business activity not only in Slovakia but also throughout the European Union. It can be considered a core sector of the economy, accounting for 97–99% of all business entities. It is an important reason to devote adequate attention to family businesses. Mura (2019) emphasizes that small and medium-sized enterprises do not receive adequate attention from governments or professional organizations.

Based on Ubrežiová et al. (2010) in Slovakia the size of small and medium-sized enterprise has been defined by Act No. 100/1995 on the State Support for Development of Small and Medium-sized Enterprises. In 1999 Act No. 100/1995 was substituted for

Act No. 231/1999 of State Support and “small and medium-sized enterprise” is defined in accordance with the European Union definition. The period of Slovakia's accession to the European Union was critical in terms of establishing a permanent state on the common market for small and medium-sized enterprises, adapting them to new social and economic conditions, and successfully reducing economic disparities.

Small and medium-sized enterprises cannot be understood as scaled-down reflections of large enterprises. Thanks to specific features and characteristics, entrepreneurs through their small and medium-sized enterprises (small and medium-sized enterprises) have certain potential competitive advantages, but also potential competitive disadvantages, compared to large enterprises. (Chodásová & Bujnová, 2006). According to Strážovská (2007) as well as Ubrežiová et al. (2008) SMEs have:

- a relatively small share of the market and practically cannot significantly influence the market in any way.
- small and medium-sized enterprises are managed by owners - entrepreneurs, families of owners, respectively by co-ownership and not mediated through a formal management structure
- small and medium-sized enterprises are independent enterprises, they do not form part of another larger enterprise.

Knowledge management and its contribution to business education

Just like large companies, small and medium-sized businesses have entered the era of the knowledge economy, which is developing turbulently in the 21st century with the onset of digital innovations and which are automatically part of the life of the new population. Knowledge "discovered" in the 20th century for an industrial society and a market economy as a resource without the possibility of exhausting stocks and without loss - decrease in the case of their involvement in the work process becomes the basic economic resource of the future society (Drucker, 1998). At the same time, he foresaw the emergence of a new productive force – the productivity of knowledge in the 21st century. On the other hand, the productivity of knowledge is a basic element of the economy, a production factor, just as land, mineral resources, and capital were previously defined. Here, the bearer of knowledge is a person, in an active economic process as a knowledge worker. If a person has his knowledge hidden in his head, he is its owner and can dispose of it freely (Handy, 2007).

Knowledge management as an economic process includes the effective linking of those who "know" with those who need to know, and the transformation of personal (mostly hidden) knowledge into organizational knowledge (mostly explicit) in the form of communication, involvement and transfer (Diačiková & Lach, 2020). Tuma (2001) states that knowledge management can be viewed from two perspectives at best. The first accentuates it as a deliberately organized management system that allows managing and using the system of facts, hypotheses, principles, laws, theories, information, and in general all products of knowledge as presented by contemporary society. The second point of view perceives knowledge management as a procedural event of the production of new knowledge, in which problems are solved, laws are discovered, and objective intellectual novelties and innovations are produced. Thus, knowledge management is a

process of learning and transforming knowledge. Today, they are clearly the most productive source of knowledge. Based on the analyzed connections between the resource, such as knowledge, and the way it is used and produced by people, we can define five principles of the knowledge society:

1. Knowledge is the most productive economic resource. However, this does not mean that existing resources should no longer be used.
2. In a knowledge-based society, the effective circulation of knowledge, and not capital, is ensured. And this circulation is ensured by interpersonal communication as well as by information technologies.
3. The inexhaustibility of the source of knowledge. By using and sharing or passing on knowledge, they do not consume it like other resources.
4. Knowledge is enriched by use and is therefore unique and inalienable. Every use of knowledge changes it and enriches it with experience and knowledge.
5. Every human being is the owner of knowledge and can use it individually or socially. This is related precisely to the nature of tacit knowledge, which can never be transmitted one hundred percent (Tuma, 2001).

These five principles arose on the basis of human nature, and not according to technical standards or economic laws.

Human potential development and lifelong business education

In the framework of education, knowledge and methods of education, we are increasingly encountering concepts that are defined as lifelong learning, where the continuity and permanence of the educational process is emphasized. From a historical point of view, Jan Amos Komenský (Barták, 2007) dealt with them in the work *Pampaedia* and pointed out the universality of the education of the entire human race with the *pantes-panta-pantos* triad (everyone-everything-universally), where he first formulates the three roots of human nobility, inherent to the human species: the reason which comprehends things, the will which pursues that which is good in things, and the compulsion to act, armed and directed in every way by the powers of action. It is in this tradition of education that technical equipment and financial security are not always the most important thing in the process of acquiring and applying knowledge. It is reason, will and action (Kubičková, 2022).

The development of the human potential of entrepreneurs and employees of small and medium-sized enterprises in the 21st century is becoming the most important factor that continuously influences and will influence the survival of a business entity in an increasingly competitive environment. In the 1960s, the term "knowledge worker" was introduced by Drucker (1998). He explains that he is a worker who has information and can transfer this information into economic productivity. We encounter the term potential in various areas of life and it is defined as a sum of possibilities, abilities; the overall ability to do something, to perform, capacity to perform explains (Šalíng et al., 2008). One is the starting state that we perceive, and with a new look at "things", expanded knowledge and acquired skills, we can expand or reveal new potential, be it human or the potential of matter, service, activity. Pushing the boundaries of knowledge generally opens up new possibilities and opportunities, but also threats and dangers:

1. for human existence as such and life in the form of a standard of living
2. for the existence of the company in different phases of the life cycle and the level of the company's financial situation with a view to the sustainable development of the company.

Current management theories and their practical application in well-managed businesses recognize that people are the greatest asset of a business. The way a company manages and uses them affects viability in a constantly changing environment. The main task of the management is to improve the individual and collective contributions of employees on a daily basis, which are automatically reflected in the short-term and long-term success of the company presented through financial accounting, financial statements and thus in the creditworthiness of the company itself. This is the only way a company can ensure sustainable development in today's rapidly changing business conditions. Effective employee management and competency distribution can enhance organizational performance for financial institutions (Kmecova & Juracka, 2023; Siregar & Suma, 2023).

The management of human potential in small and medium-sized enterprises is still on the periphery of the interest of applied research and also practice. In large companies, it is obvious to have a personnel department with specialists for human resource development and personnel managers. These are qualified workers who have the skills and abilities to manage, develop and coordinate the company's personnel policy (Ježková et al., 2015).

In small and medium-sized enterprises, the issue of personnel work is more sensitive. It is necessary to take into account the fact that the specificity is the concentration of decision-making powers in the hands of one, two or three business owners. Basic personnel activities include recruiting and selecting suitable employees for selected positions. Cumulative positions requiring various cross-sectional skills and knowledge are specific to small and medium-sized enterprises. Another important personnel activity is the creation and updating of optimal and motivating working conditions, which includes modern computer technology, means of communication, remuneration, good corporate culture). – I edited this and put what is marked in blue. It is necessary to realize that the development of these activities, i.e. j. by correctly selecting workers, ensuring corporate social services, creating optimal working conditions and determining adequate wages and the method of remuneration, corporate management can influence the result of the worker's work. Work performance is therefore the result of work, which will to a certain extent determine the efficiency and success of the entire corporate production process (Majdúchová & Neumannová, 2008).

Motivation integrates a person's mental and physical activity towards a set goal. It is tied to the inner stimulus of a person. Imaginations, interests, desires and, above all, unsatisfied needs that cause psychological tension, this subsequently becomes an impulse to certain behavior of the individual. We divide needs into primary (physiological) and secondary, which are influenced by the external environment (Veber et al., 2009).

Work engagement refers to employees who enjoy their work, find it meaningful, believe their professional responsibilities are manageable, and have a positive outlook on the future. The strongest factors affecting motivation include the quality of managers' influence, the creative content of leadership and their approach, which they use to influence the work behavior and performance of employees (Blašková & Tršková, 2017). Some research documents links between managers' leadership styles and the motivation of their subordinates, but little is known about what leads to the formation of leadership skills. Kanat-Maymon & Elimelech (2020) as well as Antošová (2010) investigated the relationship between work motivation and people's leadership style.

Nowadays, lifelong learning through the recognized potential of workers not only in their professional field, but also in information technologies is becoming a key personnel activity. The overall personal growth of the work team becomes crucial for the survival and development of the company. Owners of small and medium-sized enterprises carry out these activities mainly randomly and using cheap and simple methods of personnel work, and above all, the decisive parameter here is the price and incurred costs. They do not look at these costs as a long-term investment in the development of the potential of workers, but as an increased cost of the company's business performance. Through technological progress in the automation and digitization of processes, information, and repetitive activities, humanity has entered the age of a knowledge economy based on divergent (i.e. a choice from several options) thinking. It mainly includes patents, trade secrets, various professional knowledge, it carries the value of individual and collective creativity. At the moment, there is not the smallest barrier that would prevent access to information, and thus to lifelong work and interest-based education. Lifelong learning, however, also applies to managers of SMEs. This is the only way they can maintain or expand their business in dynamic times. They can only own and manage what they understand (Gončárová, Piteková & Ďurajdová, 2023; Aybar & Cark, 2023; Madzík et al., 2024).

The creative teaching model was developed by D. Treffinger, where he distinguishes three levels: divergent functions (fluency, flexibility, originality, elaboration and knowledge, memory), complex thought and emotional processes and involvement in challenging real tasks life. A model of creative teaching based on the creative-humanistic concept also is prepared by M. Zelina and M. Zelinová. This concept could be used not only in school education, but also in business education (e.g. for creation of innovations, for flexible reactions to problems and crises). It is composed of 6 basic rules: cognitization (human potential development), emotion expression, internal motivation, socialization, axiologization (moral values, critical thinking and rationality) and creativity development (Zelina, 2023).

For the effective management of SMEs, it is crucial to respect the principle of mutual connection of processes, which are chronologically and logically recorded in the individual modules of the corporate information system. In combination with the way these processes are carried out by workers and individuals, a unique and unrepeatable corporate performance of business activity is created. In order for SME managers to achieve synergy between individual business processes on a daily basis, data obtained from the information system and the performance of the work team, they must have the

knowledge and competences of modern management. Beginning SME entrepreneurs, when establishing a business with difficult access to financial resources, prefer the procurement of cheaper information systems with limited access to selected modules according to the focus of business activity. At this stage of the business life cycle, they usually have no need to deal with process description and improvement. This mostly happens in the stage of performance growth and during the implementation of a new information system. The entrepreneur is interested in the change in the company's performance and whether it was adequate for the funds spent on the information system. However, at this moment, the first erroneous saving of funds for training workers to work in the new information system often occurs. The owners and managers of the companies themselves are trained minimally due to the workload and learn only empirically according to the current data requirements. The new information system should standardize, make transparent and speed up processes, minimize process errors, simplify and make work more attractive for employees. In the first place, he should improve the quality of services for the customer and expand the possibilities of acquiring new customers (Horváthová, Mokrišová & Vrábliková, 2019; Diačiková & Each, 2020; Kubičková, 2022)

The information system should provide the manager of SMEs with the possibility of systematic reporting on the state and activities of the enterprise. Then there is a higher assumption that he can make adequate decisions and can estimate the impact of his decisions on the state and activity of the company. By creating systematic relevant reporting from company data, the entrepreneur and manager will have the opportunity to recognize potential internal and external factors and their impact on the unfavorable financial development and state of the company in a timely manner. The subsequent step is the manager's decision whether to accept the imminent risk or use it to mitigate the impacts through appropriately chosen forms and tools offered by the market and the business environment. The basic question of the entrepreneur, manager remains how to start creating relevant reporting, which information will provide data and which will provide the entrepreneur with knowledge? What method and form of knowledge should be chosen so that the effect and synergy in linked reports can be implemented in the shortest possible time, if possible, immediately in the everyday life of the company and become productive in the company's performance? (Gallo et al., 2018; Horváthová, Mokrišová & Vrábliková, 2019; Diačiková & Each, 2020).

METHOD

The basic awareness of the entrepreneur, manager, that he already has the first systematic reporting created in the information system, can be decisive when choosing a method. This is generally valid reporting on the status and activities of the business entity in monetary units for a period of time. It is financial accounting regulated by legislation. The regulation of accounting in the Slovak Republic is based on legal norms (laws, measures, methodological instructions, internal regulations of accounting units). Regular accounting and financial statements are legally regulated. Law no. 431/2002 Coll. on accounting as amended (effective from 1 January 2003) is binding for all accounting units. The Accounting Act regulates for all accounting units:

- scope, method and provability of accounting,

- the scope, content and verifiability of the financial statements,
- register of financial statements (www.registeruz.sk).

The usefulness of information from financial accounting and its binding documents (forms) for the entrepreneur and in general for the user is in their importance in terms of: comprehensibility, reliability and comparability. Comparability is temporal, intercompany, industry, competitive, etc. Aim of the contribution is to suggest some innovative concept for modern managers, which could prevent bankruptcy in the 21st century. Partial aims are following:

- Identify 3 categories of major financial risks according to case studies of Slovak SMEs (organized in association for innovative education “IPA Slovakia”, start-ups organized in coworking centre, business database “Index of entrepreneur”)
- Create 3 schemes, according which could managers prevent these risks by creative and analytical methods.
- Create innovative method “Business Coin Concept”™, which is suitable for use during the business life cycle in the 21st century.

To achieve the aim of the contribution, we used synthesis and analytical method of scientific knowledge from economic, pedagogical and social sciences and their relational connections in the phenomena, states and behavior of the manager in the conditions of SMEs. Subsequently, on the basis of theoretical, literary and empirical knowledge, we tried to synthesize this knowledge to create a creative procedure for managing SMEs with the aim of early detection of symptoms of impending bankruptcy of SMEs and management of the sustainable development of the enterprise through increasing the information and economic literacy of the work team, including the entrepreneur himself.

FINDINGS

Ignorance of the potential of data from financial accounting, which every entrepreneur has at his disposal, reduces the entrepreneur's reaction time to the rapidly changing market conditions of the business environment in the 21st century. What key does knowledge of financial accounting data bring to an entrepreneur, manager?

1. In combination with scientific knowledge and empiricism, an entrepreneur can detect the symptoms of imminent bankruptcy of his own company and the business partner's company coming from the external environment in the form of secondary insolvency in time.
2. In combination with scientific knowledge and experience, an entrepreneur can detect in time the symptoms of the impending collapse of his own company coming from the internal environment in the form of initial insolvency
3. The entrepreneur knows how to be more competent in managing the financial risk arising from the imposition of fines, penalties and additional taxes by the state in case of non-compliance with applicable legal standards or non-compliance with business-supplier conditions during the implementation of business cases. In the same way, expenses associated with litigation with business partners weaken the company's financial situation and reduce working capital. In today's digital age and access to

information in various national databases, such business behavior can easily reduce the overall creditworthiness of the business and the credit of the entrepreneur himself, the business becomes more risky for business partners and there is a risk of the overall collapse of the business. This is how we have simply defined three categories of main financial risks for an SME entrepreneur:

1. secondary inability to pay (insolvency)
2. primary inability to pay
3. fines, penalties, fees levied by the state or business partners, creditors.

Identification of basic financial risks in business

Financial risks were identified according to case studies of Slovak SMEs (organized in association for innovative education “IPA Slovakia”, start-ups organized in coworking centre, business database “Index of entrepreneur”. This view of financial risks concentrates decisive monetary relations with customers, business partners...; with creditors such as banks, leasing companies, suppliers... and finally with the state through tax authorities, financial administration, legal institutions and the like.

The order of financial risks is presented on purpose. It is based on the experience of SMEs that the receipt of funds from the payment of the delivered performance (service, goods, product, but also property and material) by the customer is a more important financial goal than the creation of profit in each business performance. Why? If, due to ignorance of the creditworthiness of business partners, the entrepreneur underestimates the analysis of their financial situation and does not ensure the payment of the claim, he must incur additional costs for the recovery of the payment of such claims, in the worst case, he will not be able to pay for the supply of services at all if the business partner goes bankrupt, for example. The entrepreneur cannot influence the time, the amount of additional expenses or the probability of paying off the debt. If an entrepreneur carries out business with a loss, with gradual knowledge and experience, it is within his own competence to manage changes in processes, calculations, management, logistics, etc. in a short time through managerial accounting, so that the delivery of business performance is realized with adequate added value and, ultimately, with profit.



Figure 1

Manager's pyramid view of financial risks through accessible data from accounting information systems

Source: Own processing, 2024.

Secondary insolvency of the company arises as a result of non-compliance with the due date of customer invoices on the part of customers of goods and services. Tied up funds in unpaid receivables will cause the company to lack its own funds needed to pay for the supply of goods and services. The company is unable to pay supplier invoices when due and in full. The company gets into a financial crisis relatively through no fault of its own. Why relatively? The company has at its disposal scientific knowledge verified by practice, with which it can reduce this impending risk from business partners by checking the financial situation of the business partner and by adequately setting up the payment conditions in business contracts. Primary insolvency expresses a lower level of ready means of payment (that is, financial accounts together with short-term receivables and short-term financial assets) compared to payable liabilities (or short-term liabilities). It reflects the consequences of non-economic performance of business activities, inefficient spending of corporate resources, assets to achieve corporate performance, non-creation of added value). Fines and penalties threaten the entrepreneur from incorrect calculation of the tax base for corporate income tax, incorrect calculation of other taxes such as value added tax, local taxes, motor vehicle tax, etc. Last but not least, there are financial expenses for lawsuits arising from business activity, from unpaid deals due to non-compliance with agreed business terms. The data evidence system in the corporate information system has inexhaustible potential for the manager in organizing and managing business activities and business processes. Again, through a simplified creative form, we will provide the manager with a view of data registration through accounting.

Analysis and solutions of financial risks

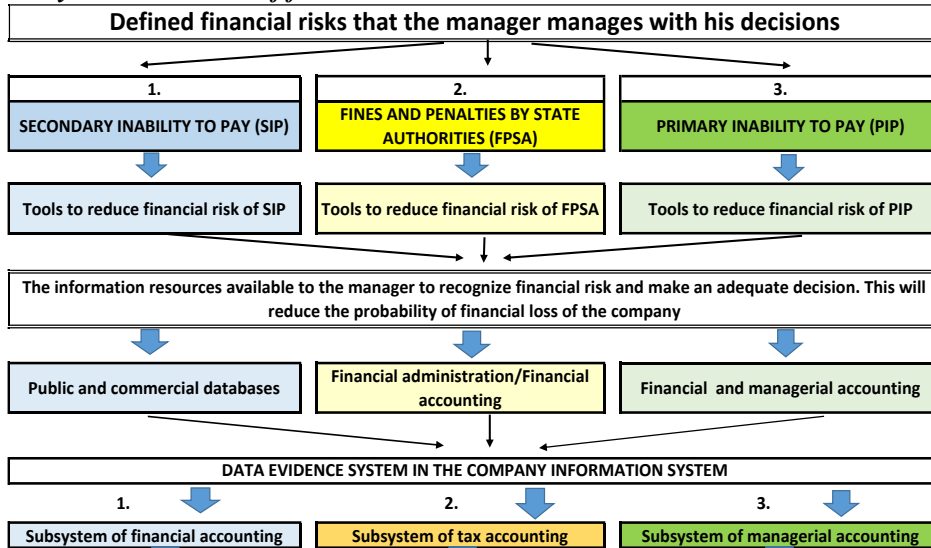


Figure 2

A comprehensive algorithm of the managerial view of financial risks

Source: Own processing, 2024.

A creative, simplified form of managerial view of the company's financial accounting through basic financial risks threatening the financial stability of the company and, ultimately, the sustainable development of SMEs

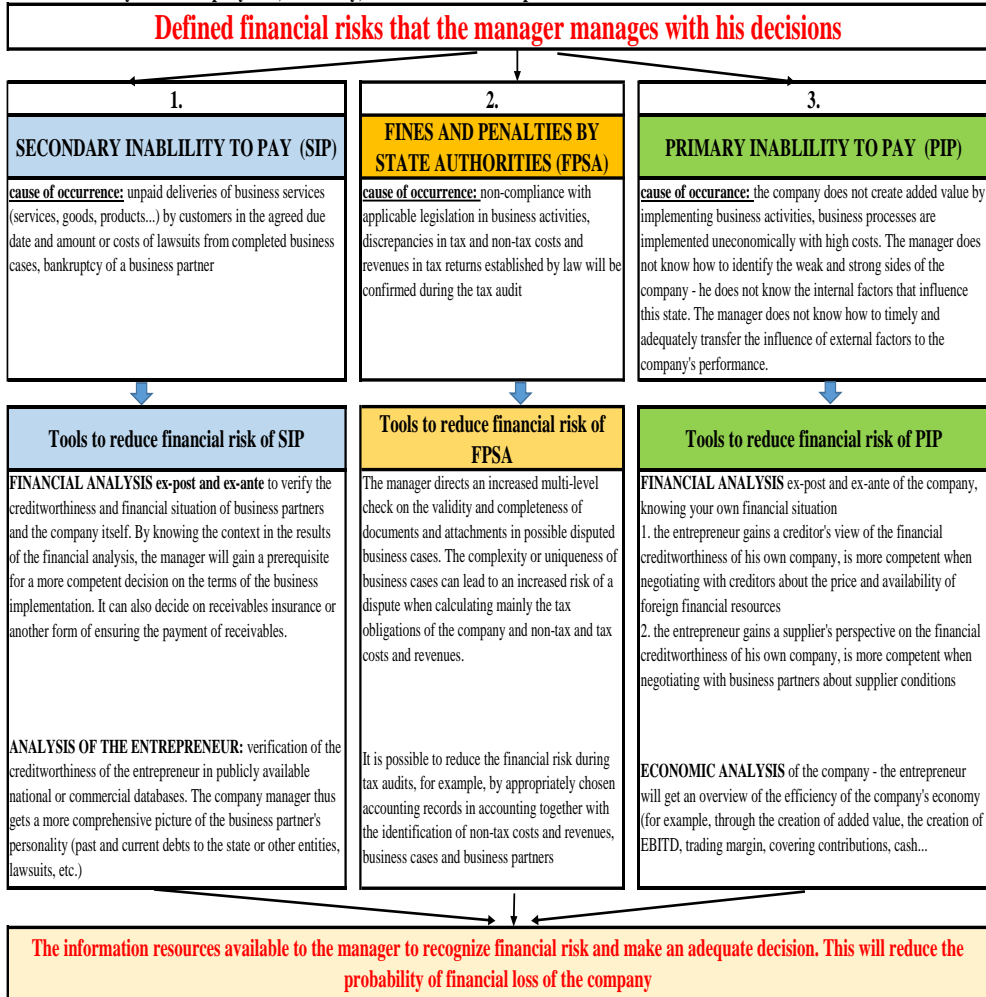


Figure 3
 Extended definition of individual components of the algorithm of creative management of the business through financial risks
 Source: Own processing, 2024.

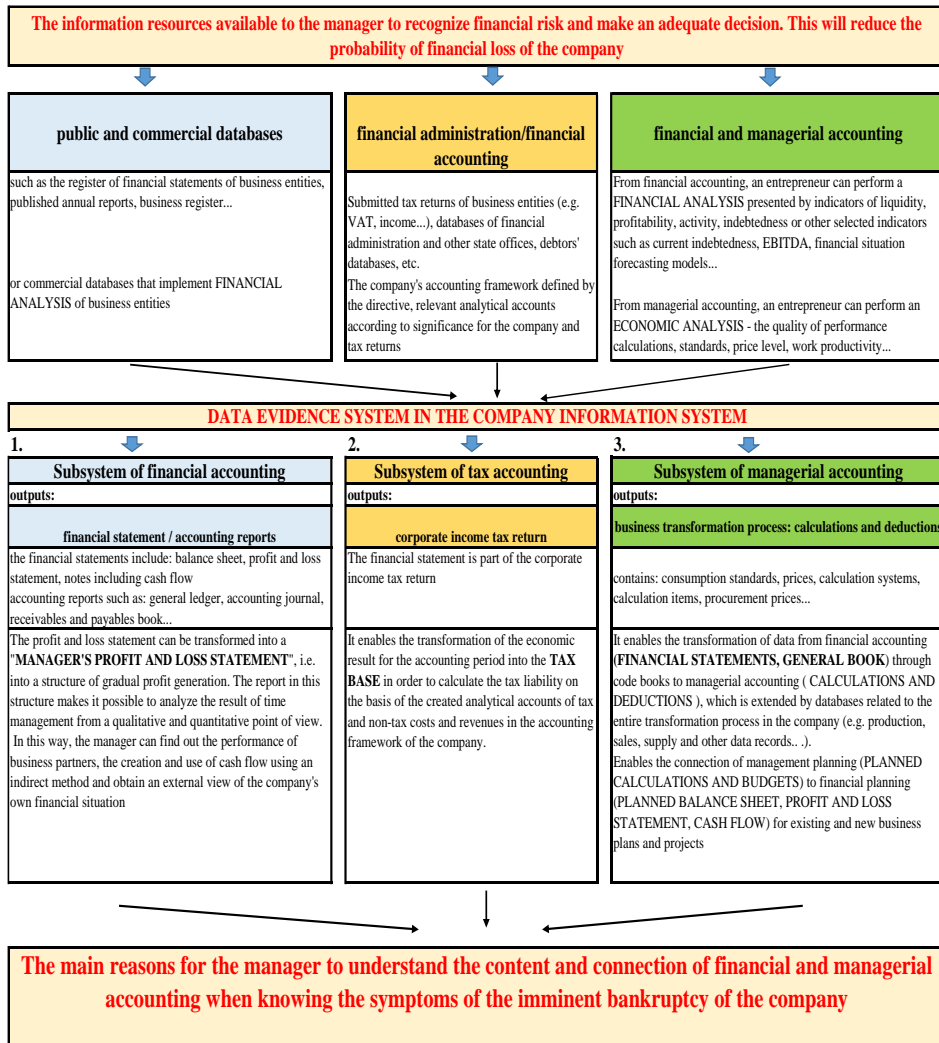


Figure 4
Data evidence system in the corporate information system and subsystems of accounting
Source: Own processing, 2024.

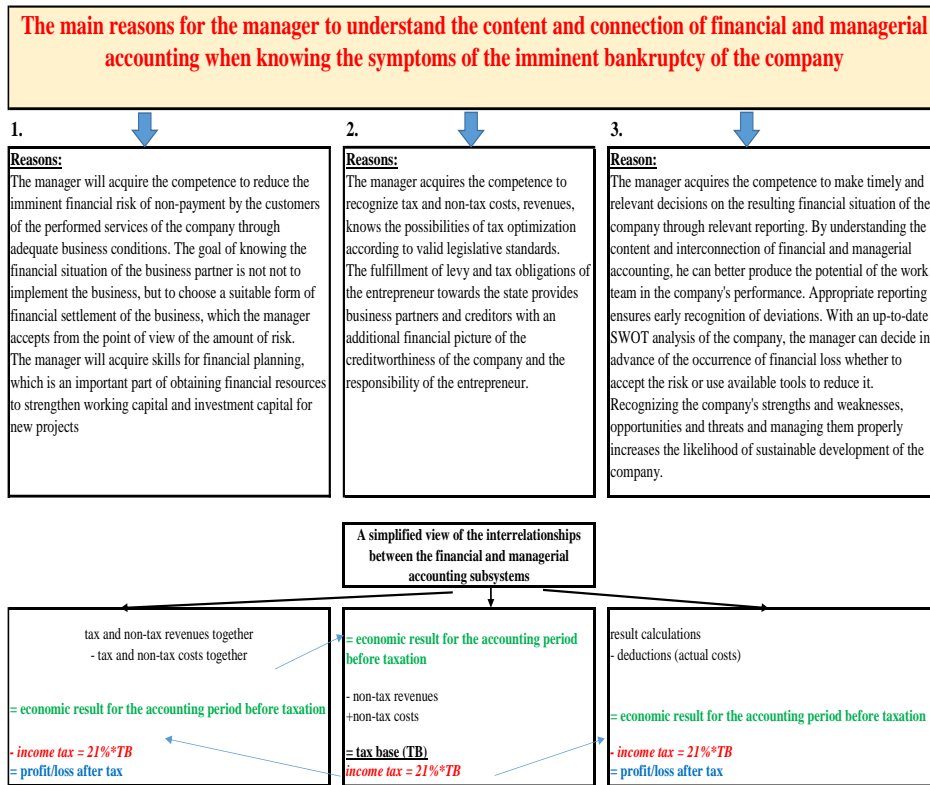


Figure 5
 Connection between financial and managerial accounting
 Source: Own processing, 2024.

Human potential development of managers by using the Business Coin Concept™

In order for the entrepreneur to be able to ensure the long-term economic operation of the company, he should currently have, among other skills, information technology literacy and economic literacy (economics, accounting, taxes, finance). Without basic financial, economic and informational knowledge and skills, it is impossible to trade profitably, manage assets efficiently, and manage corporate finances. The greatest value is an intangible asset - timely information. BUT, without its correct identification and understanding of the information in terms of content, time and place, the entrepreneur is in constant financial risk with his decision-making about the tactics and strategy of the business, which can end in financial damage and the collapse of the business.

To a large extent, the owners of SMEs are individuals with a business spirit. They found their potential in various fields that they studied or developed themselves. They have know-how in the given field, they founded a business entity, thus gaining a competitive advantage on the market, but they lack a general economic education, be it high school

or university level. From the above, it follows that at a certain stage of the company's life cycle, the entrepreneur himself can become an obstacle to the further growth of the company due to insufficient knowledge of business economics, data registration in modern business information systems and in other state and international databases. Entrepreneurs have at their disposal an innumerable amount of recorded information and data through financial and managerial accounting, but the entrepreneur lacks knowledge and understanding of their importance in management. This ignorance reduces the quality of decision-making by entrepreneurs in every phase of the business life cycle, be it establishment, growth, stagnation or decline. Recognizing and managing financial risks arising from business activity is random and chaotic. The entrepreneur and his colleagues unsystematically and repeatedly solve the same daily deviations and problems of business processes because there is no time to make a permanent change in the processes and to address the key issues of the survival and growth of the business.

The basis of increasing the economic literacy of entrepreneurs is to provide proven scientific knowledge in the field of business economics using a simple creative method. The goal is, based on an understanding of the outputs from financial and managerial accounting, to enable the entrepreneur to effectively manage, first of all, the flow of money in the company, ongoing processes in the company and the way the processes are carried out by employees. In this way, a knowledgeable entrepreneur knows what to demand from the work team, knows how to use the obtained reports from company data for decision-making and financial risk management, knows how to perceive data flows systematically and with an overview. A systematic approach to activities and processes is applicable not only in large companies, but also in SMEs and ensures early detection of imminent financial loss, which in the long term causes the decline and bankruptcy of businesses. Proven scientific knowledge from the field of economics can be connected with everyday reality through a creative method of education, which will increase the interest of managers and entrepreneurs in increasing their information and economic literacy. For the successful management of SMEs in the knowledge economy of the 21st century, they are crucial for the survival of the company.

The creative method of obtaining permanent knowledge (Business Coin Concept, BCC™) is based on the fact of three dimensions of the coin, namely:

1. reverse - basic financial risks threatening the existence of the company,
2. edge – the potential of an entrepreneur, manager in the field of business in combination with economic and financial literacy,
3. obverse - scientific knowledge in the fields of economics, business and management, pedagogy and sociology.

Creativity is the ability to look at things and topics from a new perspective and through new relationships and thus arouse the interest of an individual, in our case an SME entrepreneur, in the solved issue - managing changes in the company with the aim of reducing the risk of bankruptcy through the identification of insolvencies from the outputs of financial and managerial accounting. The basic idea behind the method is the fact that the coin only moves along the edge, and the growth of the business is represented by the upward movement of the coin along the edge of the entrepreneur. The coin is in motion during rotation, which represents stagnation in the life cycle of the

company. The second basic fact is that most active entrepreneurs do not set aside a large time fund for education and learn almost exclusively from practice, as they go along, acquiring tacit knowledge and skills (Kubičková, 2022; Vrábliková, 2024).

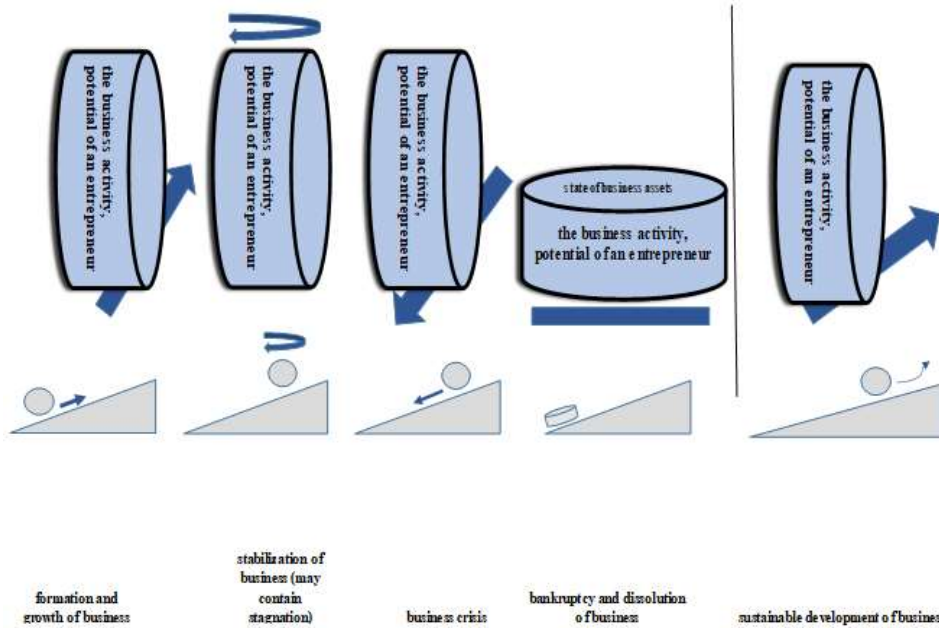


Figure 6
 Look at the phases of the life cycle of a business entity through the Business Coin Concept™
 Source: Own processing, 2024.

CONCLUSION

Rapid knowledge training in the field of economics, taxes and accounting will enable the entrepreneur to immediately apply the acquired knowledge in the company and it becomes permanent knowledge. First of all, the entrepreneur is able to define financial risks, financial goals, key indicators, relevant reports and, last but not least, responsible employees. Subsequently, the entrepreneur must ensure targeted retraining of co-workers using appropriately chosen methods and the approach itself, in order to activate the potential of the work team, support their creativity, interest in innovation and improve the quality of business activities. Only in this way can the entrepreneur produce his own knowledge and the activated potential of the workers. An intangible asset is materialized in the corporate finances captured in the company's financial statements.

The entrepreneur's genuine interest in the professional and personal growth of his colleagues is the basis of corporate survival in the knowledge-based economy of SMEs in the 21st century. The success of the company on the market is the result of the

production of the work team and the personality of the entrepreneur. The impact of the global covid pandemic on the business environment confirmed the importance of the quality of the work team, its creativity, action and, above all, belonging to the company itself. The greater the risk of bankruptcy of the company comes from the external environment, the stronger and more reliable the internal environment of the company must be. SME entrepreneurs must accept this emerging trend of an unstable fast-paced business environment in the 21st century as soon as possible, expand their economic knowledge also in the form of knowledge of the financial situation through the insolvency of their own company and business partners. Competent change management using the materialization of workers' potential increases the probability of SME survival, the competitiveness of SMEs, and in the long term, SMEs have a chance for sustainable business development.

Findings of our interdisciplinary contribution are focused on identification of 3 financial risks according to case studies of SMEs: secondary inability to pay (insolvency), fines and penalties by state authorities and primary inability to pay (insolvency). The trend in various sciences in the 21st century is a systematic (holistic) approach. In management, an example of systematic thinking is a process approach and application of the CSR, in pedagogy metacognition and metalearning, in medicine psychosomatics and psychoneuroimmunology, etc. That is also why we approached these problems in a systematic way. We have broken down the risks into details: information sources from which the manager can learn about these risks, the causes of the occurrence of these risks and their mutual connection. Managers should respond flexibly to financial problems at every stage of the business life cycle. They should regularly develop their financial and economic literacy. Therefore, based on our experience with business education and in accordance with a systematic approach and a creative-humanistic concept, we designed the Business Coin Concept™.

The most significant limitation is the impossibility of generalizing the research to all types of businesses - e.g. small ones that do not apply a strategic approach keep simple accounting and their managerial accounting is at an intuitive level. Our research area is also the Balanced Scorecard (BSC) concept consisting of 4 original perspectives (financial, customer, process, learning and growth) and one new perspective related to social responsibility. The Balanced Scorecard method is based on the systematic philosophy called "Business as a living organism". In the future, in the context of systematic approach of the BSC, we plan to expand the research with an innovative approach to the management of other business risks, not only financial ones. Next potential expansion of business education could be application of learning styles of Kolb (divergator, convergator, assimilator, accommodator) to be "right people in the right place" and to better achieving of business goals. This proposal would also support the development of a creative-humanistic concept in companies, especially in the field of internal motivation, creativity development and cognitization. In company it is important to prevent many financial and non-financial risks (Birknerová, Tej & Vrábliková, 2022, Zelina, 2023).

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