

Y.V. Robul

Dr of Econ. Sci, Associate Professor

FOUR STRATEGIES OF DIGITAL TRANSFORMATION AND DIGITALISATION OF MANAGEMENT

The digital transformation of the economy is aimed at increasing its efficiency through fundamental change in several of its cornerstone subsystems: technologies, people (work processes, knowledge, and competencies), long-term goals and development strategies, institutions; these changes should take place simultaneously with the functioning of the economic system [1; 2].

The Boston Consulting Group identifies four groups of tools for digital transformation of the economy at the macro level: a) digital privatization; b) digital leap (industrialization), c) e-governance and document flow; d) digital investment and reinvestment [3].

Digital privatization is aimed at ensuring high efficiency of the economy by correcting existing inefficient models in certain industries. It provides for the transfer into private hands of production of goods and services that were carried out by the state or state-controlled enterprises through institutions and organizations, the involvement of the private sector as a partner, and changes in business processes. At the same time the very fact of belonging of an individual enterprise, institution or organization to the state sector should not be considered as a prescription for digital privatization. In terms of ensuring digital transformation, the main thing is to have a digitally (re-) structured process. Existing inefficient zones in the economy, covering some industries, activities, or territories, are an obstacle to ensuring the effective use of the resources available in society to create a technological base and a flow of values related to the development and use of digital technologies. Such areas of inefficiency also undermine the competitive mechanism of economic and technological development.

The digital leap is due to the introduction of digital technologies in various sectors of the economy, different from the IT sector, the transition to a new technological way and the resulting increase in efficiency and productivity in the economy. To implementation of the digital leap depend upon a coordinated interaction of key action persons at the macroeconomic level: a government that should prioritize, initiate the technological restructuring process, and create organizational, legal, economic, and social conditions for its successful implementation; investors, large technology companies and research, design and educational institutions, other businesses. The deployment of digital entrepreneurship is required to implement the digital leap, including updating the existing one and creating a new infrastructure for production, management and support processes [4].

E-governance and document flow within the national economy provides for improving of the effectiveness of managerial decisions, since they incorporate digital data with models that allow simulation and forecasting, thus eliminating problem of use and interchange of non-convertible data, outdated formats, and huge storages of analogous data, which size make their effective use highly impractical. In addition, e-governance creates an environment favourable for the development of ICT skills of individual users, whether it be end users, enterprises, institutions, or organizations in a varied context, including practice of management. Access to public services online is probably the most massive type of market in terms of penetration, and therefore a powerful tool for getting used to ensure readiness to use digital services in general.

Digital investment and reinvestment concern creating of essential foundations for the development of digital economy – digital infrastructure, hardware, and software, as well as institutional conditions for digitalization, education, training and development of the workforce, creation, and maintenance of the necessary antecedents for its development and reproduction, resulting in development of the human capital [5]. This investment is deemed necessary to preserve the ability of the entire economic system to provide of efficient and effective use of three other groups of tools, as well as to ensure economic development in the best interests of the society. The implementation of digital investment requires partnership between the government, investors, and recipients of investments. The primary role of the government lays in mobilizing enough

investment, in creating conditions that provide for a significant economic return on investment and create motivation for reinvestment.

The realization of these strategies and digital transformation of the economy requires, among other things, qualitative changes in the nature, tasks, and ways of implementing managerial function in all kinds of enterprises; it requires ensuring managerial readiness for the active use of digital tools in the production, organization, planning and control in management. E-governance requires the development of skills related to the creation and use of digital documents, a defined policy of distributed access to information within the organization, which requires, in turn, an audit and clarification of managerial processes and task flows, elaborating a policy of access to, and participation in decision-making process, combining different levels and functions within organization. Achieving of the goals, related to the implementation of the strategy of digital leap, digital investment and reinvestment critically depends on the degree of development of human potential in organizations, primarily related to development and implementation of innovation. It is determined by the accessibility and degree of dissemination of mentoring and education, including life-long education. It relies upon effective and efficient management of change, including major shifts in corporate culture, planning and assessment of results of work.

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