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DIGITAL TRANSFORMATION AS A FACTOR OF COMPETITIVENESS

Digital transformation signifies the integration of digital technologies into all aspects of a business, fundamentally altering how it operates and delivers value to customers [1]. It's not merely a shift from traditional to digital methods but a strategic reorientation requiring the reformulation of business models, processes, products, and company culture. In today's dynamic world, where technological innovations evolve at a lightning pace, the ability to quickly adapt and innovate becomes a key factor determining a company's competitiveness.

Digital transformation plays a crucial role in enhancing the competitiveness of companies, allowing them not only to optimize internal processes and reduce costs but also to expand market presence, improve customer experience, and create new revenue streams. Through digital channels and platforms, companies can establish closer contact with their customers, offering personalized solutions and services in real-time.

The fundamentals of digital transformation encompass a broad spectrum of technological, strategic, and organizational aspects that collectively form the foundation for companies to successfully transition into the digital age. At the technological level, digital transformation involves the application of advanced technologies such as artificial intelligence, machine learning, blockchain, the Internet of Things (IoT), and cloud computing. These technologies not only facilitate the automation and optimization of business processes but also open new avenues for innovation and value creation [1].

Strategic planning and implementation of digital transformation require companies to conduct a thorough analysis of their current state and develop a detailed roadmap for transformation. This includes defining key objectives, selecting appropriate technologies, planning resources, and developing strategies for engaging and training staff. Effective strategic planning allows companies to minimize the risks associated with digital transformation and maximize its potential for growth and innovation.

Organizational changes are a critically important component of digital transformation. Transitioning to a digital business requires not just technological changes but also adaptations in corporate culture, structure, and management processes within the company. This may involve reorganizing business models, introducing new work methodologies, changing management thinking, and approaches to talent development. Organizational changes are aimed at creating an environment that fosters innovation and adaptability, thereby ensuring long-term competitiveness in the digital world.

Digital transformation significantly impacts the competitiveness of companies, transforming traditional business models and ways of operation. At the heart of this process is the optimization of processes and enhancement of operational efficiency, where digitization plays a key role. The adoption of digital technologies allows companies to not only reduce costs but also significantly increase productivity and flexibility in response to changing market conditions. Automation of routine tasks, the use of artificial intelligence for data analysis, and smart optimization of supply chains are just a few examples of how digitization can transform a business.

From the consumer side, digital transformation opens up new possibilities for enhancing customer experience. Digital channels and platforms provide deeper and personalized customer engagement, offering convenience and accessibility of services anytime and anywhere. From online consultations to individualized recommendations, digitization enables the creation of unique and meaningful interactions that increase customer loyalty and contribute to sales growth.

Innovation is another critical element that contributes to competitiveness in the era of digital transformation. The use of digital technologies opens new avenues for developing and introducing innovative products and services, allowing companies to not only meet current market needs but also anticipate future trends and consumer demands. This applies to both improving existing products and creating entirely new digital solutions that can radically change the market landscape.

Digitalization serves not only as a catalyst for economic growth but also as the primary tool for achieving Ukraine's ambitious strategic goal – to increase the Gross Domestic Product (GDP) eightfold, reaching a milestone of 1 trillion USD by 2030. The rapid development of the digital economy aims not just at quantitative economic growth but at the qualitative improvement of citizens' lives, ensuring a higher standard of well-being, comfort, and quality of life compared to the average in Europe. A crucial

aspect of implementing this strategy is the growth of the digital economy's share in GDP. Forecasts indicate that by 2030, this indicator will reach 50-60% in the world's largest countries. Ukraine has every chance to exceed these figures, as estimates suggest that the share of the digital economy in the national GDP could reach 65% if an accelerated development scenario is implemented. Such growth will be possible through the introduction of advanced technologies, digitalization of all economy sectors, activation of innovative activities, and the creation of a favorable environment for the development of startups and technology companies [3].

The successful execution of this plan will require the joint efforts of the government, business, and civil society, along with the implementation of effective regulation and stimulation mechanisms for digital transformation. This includes the development and adaptation of legislation, support for infrastructural projects, protection of consumer rights in the digital space, and investments in human capital development. Only under these conditions can Ukraine achieve its set goal and establish new standards of living for its citizens, advancing to leading positions in the global digital economy.

Thus, digital transformation not only stimulates improvements in business processes and customer service but also plays a key role in fostering innovation and developing new products and services. Together, these factors form a solid foundation for enhancing the competitiveness of companies in today's digital world.

During digital transformation, companies often face a series of challenges and obstacles, among which resistance to change, data security issues, and privacy concerns stand out as primary barriers. Employees may resist innovations, fearing job loss or the need to learn new skills. Meanwhile, the integration of cutting-edge technologies requires companies to ensure a high level of information protection and compliance with privacy norms, which can present a significant challenge.

To overcome these difficulties, companies need to develop comprehensive change management strategies that encompass both technical and organizational aspects. Effective change management involves communicating the benefits of digital transformation to all stakeholders, providing necessary training and support. It's also crucial to implement best practices for data protection and regularly update security systems to counter cyber threats. Regarding future trends in digital transformation, it's expected that key technologies like artificial intelligence, machine learning, blockchain, and the Internet of Things will continue to evolve, opening new opportunities

for innovation and business development. Companies need to stay informed about these developments and prepare for the integration of future innovations to maintain and enhance competitiveness. Adapting to a rapidly changing technological landscape, continuous learning, and an innovative approach will allow companies not only to effectively respond to contemporary challenges but also to shape the future of the digital economy.

Digital transformation today stands not just as a trend but as a necessity for enterprises aiming to maintain and enhance their competitiveness in the rapidly changing business environment. Integrating digital technologies into all aspects of a company's operations allows not only for the optimization of internal processes, improvement of customer service, and development of new products but also for adapting to market changes with greater flexibility and efficiency [4].

Future research in the field of digital transformation should focus on developing new change management methods, data protection strategies, and approaches to integrating cutting-edge technologies. Special attention should be given to analyzing the impact of digital transformation on the workforce, skill development, and corporate culture, as well as developing mechanisms for ensuring continuous learning and employee development.

Ensuring competitiveness in the modern digital age requires companies to possess not just technological capabilities but also strategic vision, readiness for continuous change, and innovative thinking. Thus, digital transformation becomes a key factor of success, demanding a comprehensive approach and interaction of all aspects of organizational activity.

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