

WAYS OF DIGITAL TRANSFORMATION OF ICT-RELATED ENTERPRISES

<https://doi.org/10.5281/zenodo.8421321>

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Abstract

This article briefly describes the unique ways, types and stages of the process of digital transformation of enterprises and also considers the positive aspects of this process.

Keywords

Business transformation, digital technologies, corporate culture, business model.

Introduction

The positive change that has taken place in the recent years in the standard of life of the population is connected with the radical change of the economic relations in the world community. These changes are the result of the unprecedented growth of scientific and technological progress caused by digital technologies in developed countries. It is becoming increasingly clear that digital technologies will play a critical role in accelerating this progress.

Analysis of literature on the topic

Digital transformation is the renewal of the way an enterprise works through the continuous adoption of new digital technologies. As stated in the McKinsey book, the main goal of digital transformation is to provide a competitive advantage through the continuous adoption of technology on a large scale to improve customer experience and reduce costs. [1]

Effective use of digital technologies in an enterprise, which is the basis of every economy, shows that there is a huge opportunity for innovative development of enterprises. This innovative development leads to the growth of the quality of goods and services, the efficiency of production and the creation of new jobs.

The economic policy carried out by our country in recent years creates favorable conditions for the development of digital technologies. This process, in turn, ensures the large-scale implementation of the process of digital transformation of all ICT-related enterprises of the economy.

The answer to the question why digital transformation is important can be seen in the results of the research carried out by ACCENTURE. These studies have

shown that companies that adopt digital technologies have grown twice as fast as their competitors and have therefore doubled their technology investments to grow faster. [2]

Companies are increasingly using cloud technologies, including artificial intelligence, to outpace their competitors. They quickly adopt innovative technologies and make large investments.

Companies, especially in the field of ICT, can dramatically increase the potential of their services for customers through digital transformation of their activities, that is, by integrating digital technologies into all areas of their business. This can also be seen in the example of research conducted in the banking sector. [3]

Businesses need to embrace innovative digital technologies to be able to adapt and respond more quickly to changing customer demands. With the help of digital transformation, enterprises can offer digital solutions such as mobile applications or e-commerce platform, move from internal server infrastructure to cloud computing and reduce operating costs with smart sensors.

Analysis and results

Digital transformation of the enterprises in the sphere of ICT is the need of digital age, and this process requires the use of modern technological instruments to ensure competitiveness in the rapidly changing technological era for ICT enterprises. The benefits of these instruments, in turn, are evident in speeding up the time it takes for a product to reach a customer, preventing interruptions in the supply chain, and responding to rapidly changing customer demands in a timely manner. Gaining a place in the market while maintaining competitiveness is one of the main tasks of enterprises, and in this process, digital transformation offers several advantages for enterprises in the field of ICT.

Table 1.

Benefits of digital transformation in ICT-related enterprises [4]

<p>Increase in efficiency</p>	<p>With the help of cloud services, businesses are optimized to save valuable time.</p> <p>And artificial intelligence offers solutions to problems for employees.</p>
<p>Customer convenience</p>	<p>Customer data analysis is accelerated with mobile applications</p> <p>Communication is online</p>

<p>Cost reduction</p>	<p>The workflow is in real time Reduction of human resource costs by automating tasks</p>
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The digitization process should not be confused with the digital transformation process. Digitization is the first important step towards digital transformation. Digital transformation is a process that can completely change the business culture of an enterprise.

The process of digital transformation of enterprises should not be limited to the introduction of new technologies into the enterprise. In order to achieve the expected results, changes or transformation must occur in all aspects of the company's activities.

One of the cornerstones of digital transformation is customer-centric business innovation. New digital technologies should only be implemented after analysing customer experience, behavior and expectations.

When introducing digital technologies in enterprises, employees ought to be regularly trained and supported. Digital transformation of an enterprise is more likely to be successful if digital technologies are fully understood by employees. To achieve this goal, the planned training of employees, the employment of the right personnel for the success of the transformation and the creation of conditions for its growth need to be carefully considered.

Through the process of digital transformation, changes occur in every aspect of the enterprise. It is important to plan ahead for the changes caused by this digital transformation, as this planning step can prevent stress and confusion among employees. In order for the digital transformation to be successfully implemented in the enterprise, the necessary planned preparation, important tools and, most importantly, the necessary environment should be provided.

The role of the environment in the enterprise is very important in the digital transformation of enterprises. Innovation occurs more easily in an environment conducive to transformation. Digital transformation and innovation are closely related, but they are not the same thing. Innovation is the generation of ideas that drive change. An environment of open communication, collaboration, and creative freedom should be created that encourages employees to experiment. Once employees' ideas are validated in such an environment, digital transformation can continue to implement those ideas at scale.

It is important for business leaders to be active themselves and ensure that the digital transformation process takes place in an orderly manner. Every step needs

to be carefully planned in advance, every digital technology and its output should be studied from different angles and employees should be inspired to do the same.

If the above-mentioned activities are carried out in the enterprise, a culture of innovation will appear. This culture makes employees more passionate about delivering the best customer service, which in turn helps digital transformation initiatives to succeed.

When we talk about the ways how to digitally transform the activities of enterprises in the field of ICT, the following main types of digital transformation that can be implemented come to mind.

- Change in the Business process
- Change in the Business model
- Change in the Corporate culture [5]

Changing the business process in an enterprise means considering innovative ways of improving the existing internal and external work processes of the enterprise. New technologies often require a radical change and improvement of an enterprise's processes to achieve business results.

For instance, nowadays the tendency that enterprises provide its customers the opportunity to manage some of its services after having digitally transformed their own business processes is growing. This kind of transformation which takes advantage of the following services has substantially improved customer satisfaction.

- Using cloud computing systems
- Reduction of invoice processing time
- A high-performance cloud storage system for communicating with multiple clients through a website and applications

These digital transformation efforts reduce workflow burden and operational costs in enterprises, while increasing customer satisfaction. [6]

By changing its business model, an enterprise offers core business services in new ways or through various new channels. At the same time, due to this change, revenue growth and proximity to customers are ensured. This process can be seen in giving a new shape to the existing business model of the enterprise with the help of modern digital technologies. We can see many examples of this type of business model change in enterprises in developed countries that have adapted to customer demands during the pandemic.

Taking into account the changed or changing demands of customers, the implementation of organizational changes in the enterprise means that the enterprise will completely revise its internal business culture in order to meet the

needs of customers. This, in turn, ensures competitiveness and faster achievement of business goals. [7]

Businesses take different paths in digitally transforming their businesses. Each enterprise creates its own road map, taking into account its internal and external needs. Based on this road map, it strives towards the goal.

In the first stage, the enterprise continues to work as usual without changing the workflow of the business process and maintains the current state, ignoring the changing demands of customers and ignoring technological advances.

At the next stage, the enterprise begins to understand the need for digital transformation of its operations, because it realizes that a digital transformation initiative is necessary to solve existing problems. Efforts of employees to solve similar problems in different ways are also seen as the reason for this.

Although the second phase seems to be better for the enterprise in terms of digitalization than the first stage, the lack of cohesion in the digitalization process is clearly visible. In order for an enterprise to succeed in the process of digital transformation, it must first find a way out of the chaos.

Digital transformation begins after the transition to the third stage in the enterprise. Attempts are being made to solve the accumulated problems by testing new digital technologies. To implement such changes in the enterprise, official permission is required from the management. The existing business culture in the enterprise can be an obstacle at this stage, so management should be actively encouraged to further change the innovative culture.

In the fourth stage of the digital transformation process, cultural changes occur in the enterprise. This cultural environment is evident in the way that employees from different departments work together towards a common goal. For the successful implementation of digital transformation in the enterprise, a strategic plan is drawn up from this process, taking into account the interests of employees and mainly the enterprise. This strategic plan includes various aspects of the changes being implemented in the enterprise.

In the fifth stage, the enterprise begins to implement the strategic plan of digital transformation. A cross-departmental team of employees will emerge that knows exactly what needs to be done to ensure the success of the digital transformation process in the enterprise. With the help of this team, the formation of new digital technologies, projects, infrastructures and initiatives is ensured. [8]

It is clear that the enterprise now has a wide range of opportunities at this stage, because the enterprise has a digital transformation system. This means that the needs of the company's customers are met through this system. Getting this

process into routine ensures that the enterprise can easily follow the path of technological innovation.

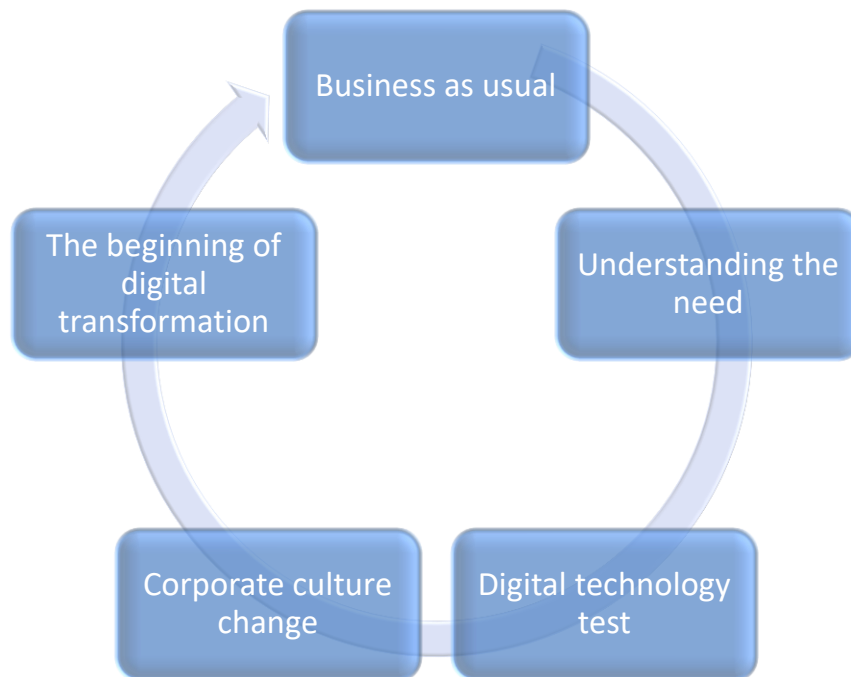


Fig 1. Stages of digital transformation [9]

We emphasized above how important it is to have a strategy for the process of digital transformation of operations in enterprises. This digital transformation strategy is a detailed short- and long-term digital transformation plan for any businesses. This plan should include the following factors: [10]

- Leaders who plan and execute transformation
- Financial and investment aspects of the plan
- Key Performance Indicators (KPI) to evaluate transformation results
- Necessary instruments for transformation
- Availability of internal and external resources
- Evaluation by external experts
- The impact of the transformation on customers and employees.

Summary

In order for digital transformation to be successful in enterprises, it is desirable to carefully develop strategies and implement them on a planned basis. In the process of digital transformation of the enterprise, project planning should be aligned with the overall goals of the enterprise. In this way, digital transformation ensures an increase in the performance of the enterprise and accelerates the time to achieve the goal.

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