

## THE IMPACT OF DIGITALIZATION ON BUSINESS PROCESSES AND MANAGEMENT IN MODERN ORGANIZATIONS

*In the context of the knowledge economy, business is being transformed under the influence of digital technologies, and there are numerous changes in the management system of both commercial and non-profit organizations. The article analyzes the costs of enterprises in the transition to digital technologies, assesses the benefits of new management processes, as well as the risks associated with the digitalization of business processes.*

**Keywords:** digitalization, business processes, digitalization costs, business process management, digitalization problems for business, risks, efficiency of business processes

Today, digital and information technologies are being actively introduced in almost all spheres of society. Business has not been left out either: every enterprise adapts to modern trends in the economy in one way or another. Digitalization affects not only the interaction of firms with external counterparties, but also internal business processes. In such conditions, it is important for organizations to “keep up with the times” in order to successfully compete with each other in the market. This explains the relevance of the research topic.

The purpose of the study is to study business processes in the context of digitalization.

Objectives of the study:

- consider digitalization in the sectors of the economy;
- analyze the internal costs of organizations for the creation and use of digital technologies;
- analyze the management process in the context of digitalization;
- identify the challenges of digital transformation;
- Identify tools to improve the efficiency of business processes in the context of digitalization.

Digitalization is gradually embracing all spheres of people’s lives. For business, this is a direct path to innovative development and obtaining competitive advantages [1]:

- Cloud technologies allow several teams to work on one project at the same time and effectively use the company’s resources;
- Using the Mobile First strategy, companies receive and monetize mobile traffic that has already caught up with traffic from stationary devices.
- Ready-made solutions allow you to save time when solving problems. Optimization of work through the use of various applications and extensions requires minimal time spent on their implementation and adaptation;
- New business models with the use of digital technology provide personalization, speed, and low cost of products and services on a scale that is beyond the reach of traditional companies.

To assess digital transformation, HSE University has developed a special Index to determine the digitalization of economic and social sectors. Figure 1 shows the results of the Index by industry.

As the study showed, the maximum value of the Index was recorded in the field of IT technologies of 33.9 points, as well as in this industry one of the highest results in the section of digital skills of personnel. Of course, this is quite natural, the entire business of this industry is built on the presence of digital skills. Also, Figure 1 shows that wholesale and retail trade organizations have the maximum level of digitalization of business processes. Digital technologies are also actively involved in the industry: 40 % of companies use cloud services, 23 % use the Internet of Things, every third company uses technologies for collecting, processing and analyzing big data, and every tenth company uses industrial robots/automated lines. In terms of the “Use of Digital Technologies” sub-index, the industry is second only to higher education [2].

Considering the internal costs of organizations for the creation and use of digital technologies, it should be noted that the largest part of the costs falls on the purchase of equipment (Fig. 2).



Fig. 1. Digitalization Index by Sectors of the Economy and Social Sphere

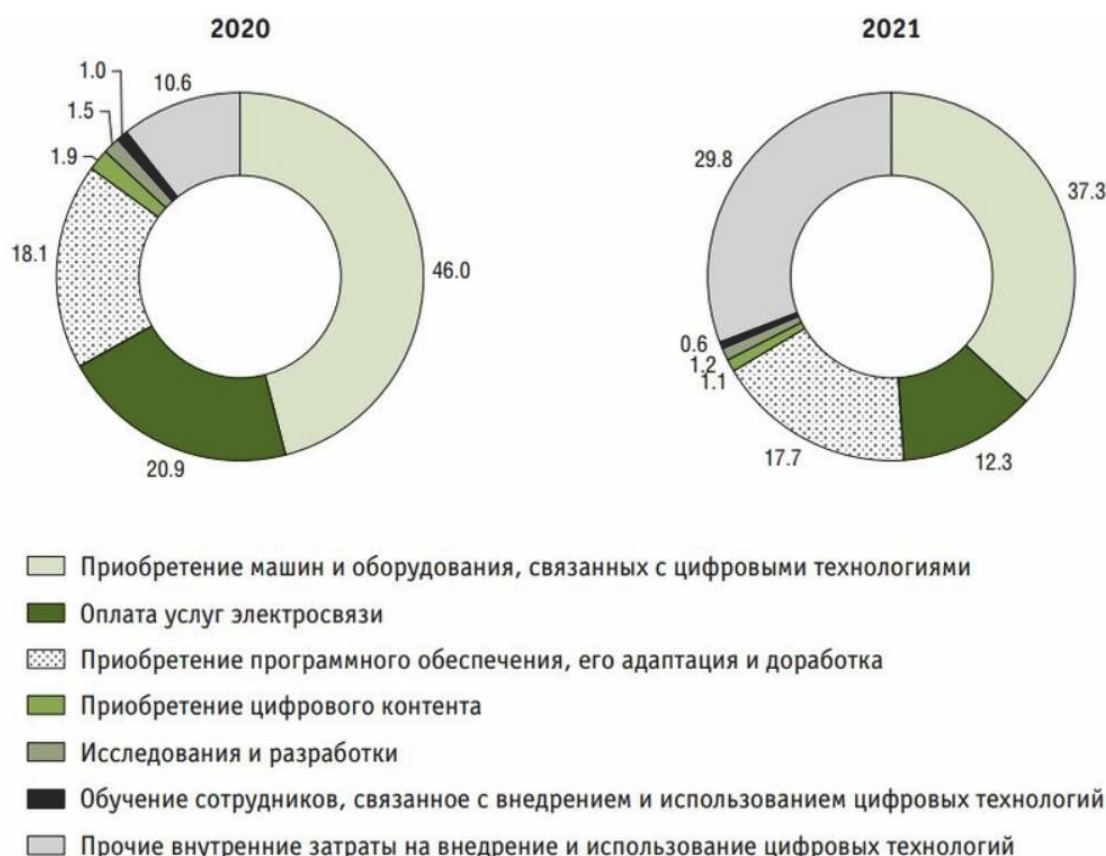


Fig. 2. Internal costs of organizations for the creation and use of digital technologies in 2020–2021, %

Digitalization provides a qualitative improvement in the company's business processes through the introduction of innovations and the adaptation of business models to modern conditions. Picture 3 shows the main elements of business process management in the digital economy.

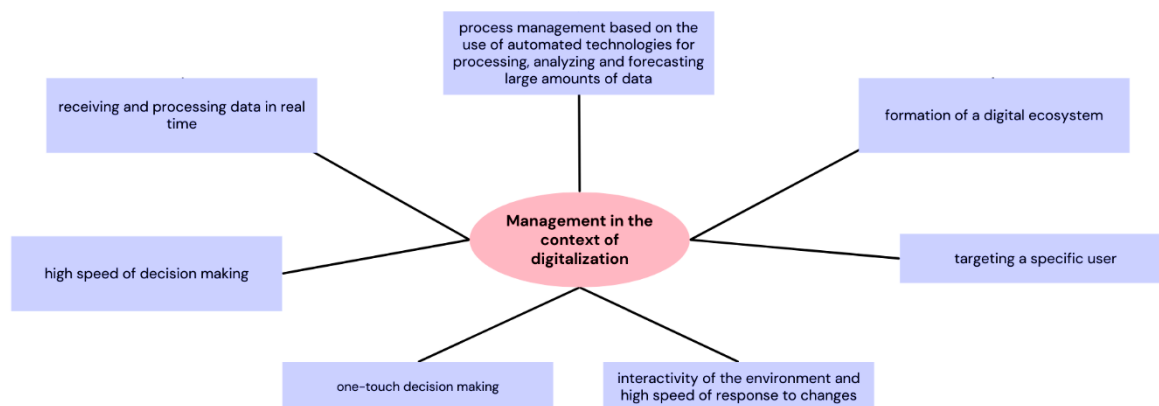


Fig. 3. Business Process Management in the Context of Digitalization

Thus, it should be concluded that the increase in the use of electronic platforms, digital technologies, and artificial intelligence helps to reduce the time for performing any tasks, makes it possible to predict consumer behavior and adjust products and services to their preferences.

Despite the fact that the digitalization of business processes provides great opportunities for a company and allows it to speed up its activities, there are some difficulties with this transition [3]:

- there are quite a few competent specialists who navigate the modern conditions of the digital economy, so sometimes enterprises have to look for the right employees for a long time to perform any task with digital transformation;
- it will not be possible to change established processes instantly, which means that companies spend more time to implement and use the latest technologies;
- it is necessary to train and improve the qualifications of the organization's personnel, which is time-consuming and costly;
- the introduction of digital developments into the company's activities requires considerable investment.

It should be noted that as a result of the introduction of digital solutions into the company's business processes, certain risks may arise. First and foremost is data security; secondly, transformation of business processes; Thirdly, the reliability of digital systems and infrastructure.

Thus, based on the results of the study, it should be concluded that modern trends towards digitalization push enterprises to introduce innovative technologies into the company's business processes. In the digital economy, in order to function normally, a company needs to adapt its business processes to existing trends, otherwise organizations may not be able to withstand competition and disappear from the market.

## References

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