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FUNDAMENTAL TRANSFORMATION OF BUSINESS WITHIN THE DIGITAL ECONOMY

The onset of the digital revolution in recent decades has instigated a profound shift in our lifestyles, communication methods, and business practices. The continual advancement of the digital economy presents both novel challenges and compels society to reassess and revise all aspects of business operations and strategies. Substantial business transformation is now an unavoidable necessity that demands attention. It's essential for companies to completely reconsider how they do business to stay competitive and ensure long-term success in the digital age. This involves more than just embracing new technologies; it requires a thorough review of strategies, cultural norms, and work methods.

The digital economy primarily revolves around digital technologies, e-commerce, and the Internet, leveraging these tools and data extensively for the creation, distribution, and consumption of goods and services. This shift brings about substantial alterations in the nature of economic activities. In the mid-1990s, Don Tapscott, a Canadian financial expert, authored a book titled *The Digital Economy*, wherein he foresaw the transformative potential of the Internet and digitized information on future business practices. Tapscott defined the “digital economy” as the utilization of information technology for the creation, adaptation, sale, or consumption of goods and services. This encompassed innovations such as digital banking, e-commerce, and virtual education [1]. Time has vindicated Tapscott's assertions: technology has not only revolutionized corporate operations but also reshaped personal financial management.

The rapid evolution of the digital economy, driven by technological advancements such as *AI, Blockchain, Crypto, and IoT*, has profoundly influenced business transformation processes. It's crucial to understand how these technologies impact economic shifts and their broader implications for businesses, governments, and society at large. We're currently witnessing a new industrial revolution and

widespread technological innovations that are reshaping society and how it adapts to this digital reality. New generations like Gen Z and Gen A are growing up in an era defined by technological progress, advanced electronics, and rapid information dissemination [2]. This is fostering more flexible forms of partnerships, such as collaboration and partnership cooperation, and nurturing an innovative corporate culture characterized by a keen embrace of, and action on, new ideas and technologies [3].

In Ukraine, the government is actively working on projects in 2023 aimed at bolstering the digital transformation of the economy. These initiatives are geared towards securing additional financial resources to fortify the resilience of the digital economy during times of conflict and to advance technological progress in rebuilding the national economy while fostering deeper international collaboration. These projects span across several areas, including enhancing the integration of digital markets, bolstering international partnerships, increasing investment in digital technologies and inclusion, enhancing e-governance, expanding digital services, advocating for anti-corruption measures, and prioritizing cybersecurity. Typically, digital technologies bring about favorable outcomes for businesses and the overall economy. They optimize production processes, streamline information flows, and organize data systematically for analysis. This facilitates predictive modeling and enables the creation of innovative products and services.

Key indicators of business transformation in the digital era include:

the rise and widespread adoption of novel business models, notably the establishment of digital platforms like websites and marketplaces. Social shifts: widespread adoption of mobile applications for managing personal finances (e-wallets, banking apps), along with changes in consumer behavior such as shifts in lifestyle, preferences, and expectations. Digitalization across economic sectors: industrial digitalization, automation of business processes, and the growth of e-commerce. This entails the creation of digital ecosystems across various industries, facilitating convenient online access to crucial data and business services. Digital regulation: encompasses the establishment of e-government systems, electronic platforms for government entities and regulatory bodies, and the utilization of

digital channels by oversight agencies, all within a framework aimed at bolstering cybersecurity and developing regulatory standards. Digitalization of science and education: involves the adoption of innovative data collection methods such as online surveys, social media analysis, and the utilization of smart technologies, neural networks, and artificial intelligence.

Business transformation entails a thorough and fundamental reassessment of the organization, prompted by a mix of external and internal influences. This reevaluation results in substantial, forward-thinking, and sometimes disruptive alterations across different facets of the business, encompassing strategy, processes, technology, culture, and customer experience [4].

In conclusion, the digital revolution has sparked profound changes across various aspects of our lives, from communication methods to business practices. This evolution continues to present both challenges and opportunities, compelling society to reevaluate and adapt its approach to business operations and strategies. The transformation towards a digital economy necessitates a comprehensive overhaul of traditional practices, embracing new technologies, and fostering innovation across industries. Governments, businesses, and individuals alike are increasingly recognizing the importance of leveraging digital advancements to stay competitive and ensure long-term success. As we navigate this digital landscape, it's essential to prioritize collaboration, innovation, and adaptability, while also addressing concerns such as cybersecurity and regulatory frameworks. By embracing these principles, we can harness the transformative power of the digital era to drive sustainable growth, enhance efficiency, and create value for all stakeholders in our interconnected world.

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