

Methodology of organizing and supporting digital transformation in the management of international companies

A new approach of organization and support of digital transformation in the management of international companies is an urgent scientific and economic problem of theoretical and practical importance.

Digital transformation in the management of international companies.

The digital transformation of the world economy is leading to profound changes that are unprecedented in their scale and possible consequences. The development of information and communication technologies led to a rapid change in the entire structure and nature of the world economy, international markets for goods, services and labor, business models of many companies, the order of functioning of financial markets, etc. The entire activity of international companies is changing, taking into account technological innovations, increasing digital aspects in the company's activities, a sharp increase in technological progress and the further digitalization of the global economy. The digital era is changing the dynamics and content of the processes of globalization and regionalization, adapting to these realities, the largest companies are changing their approaches to managing their international operations. Using digital platforms and tools, they can sell to fast-growing markets, supporting virtual teams working over the Internet in real time. Companies are reviewing their product lines, assets, competitive strategies and organizational structures. The uniqueness of the digital transformation of the economy, in addition to the pace of development and wide coverage, lies in the growing harmonization and integration of a large number of different scientific discoveries and technologies [1, p. 11].

The widespread use of the Internet for business, the separation of physical flows from information flows, makes vertical integration unnecessary. There is fragmentation of production and business processes plus a change in the structure and management of international companies. Skillful use of the Internet allows you to minimize transaction costs. The availability of the latest technologies allows even medium and small companies to work in international markets, provided that they have unique competitive advantages.

The operations of international companies are seriously affected by the so-called platform effect, in which organizations based on digital technologies create networks that connect sellers and buyers of a wide range of products or services, thereby increasing revenues due to economies of scale. The platform effect leads to the concentration of a few powerful platforms dominating their markets. The benefits of this are obvious, especially for consumers: higher consumer value, more convenience and lower cost.

Cloud technologies, artificial intelligence and automation of mental work, autonomous or nearly autonomous vehicles, three-dimensional printing, robotics, etc.

are among the most important digital technologies that affect the activities of international companies in various industries. The main factor of positive transformations is digital transformation, that is, the use of information technologies to increase the efficiency of commercial processes. Research «Forbes Insights» and «HDS» has shown that it really provides businesses with a competitive advantage. However, this only works in those companies where there is harmony between people, processes and technology. In other words, insufficient qualifications of employees or poorly organized processes negate the potential of digital transformation. Without revealing the potential of accumulated data, it is impossible to achieve the goals set in the process of digital transformation. The main incentive for starting digital transformation is the transition to new business models.

Digital transformation should be carried out on a company-wide scale with the active participation of all divisions. Personnel and technology are inseparable in business processes. That is why the organization and support of digital transformation in the management of international companies is an urgent scientific and economic problem of theoretical and practical importance.

International companies that have connections ranging from small businesses to any large enterprise owned or not belonging to the field of information technology must restructure their products and services around the digital opportunities introduced by new technologies. Companies must undergo cultural change and adapt Agile workflows to thrive in the new digital reality. Moreover, digital transformation requires decision-making at the tactical level of an ever-changing global market. The life of an international company should always include digital technologies in the functioning of its divisions and carry out constant coordination of their activity with other external international structures. Each unit itself may consist of several separate teams of employees who must coordinate their actions and interact with the functional teams of other departments, which arrange their functions around identically related business processes. At the same time, modern information technologies should provide consistent lines of communication between teams, divisions and enterprises. Initially, these may be specific application systems, later it will be others that will be combined with a common platform for different modular applications. For many companies, the processes that provide a competitive advantage are not only administrative in nature, but also have a different direction. That is why it is extremely important for such companies to use the accumulated information knowledge, and the most important property of competitiveness will be the productivity of personnel who prepare and make decisions regarding digital transformations in the company. The productivity of such personnel depends on systems that cover and simplify unstructured interactions. The use of management systems for structured processes only facilitates their work, which is why digitalization is a special vector in the development of an international company.

In recent years, humanity has felt the great influence of digitalization. The Covid-19 pandemic, the political situation, etc. have changed the internal processes of international companies, their goals, strategies, communication with each other, the way customers are reached and communicated with them, etc. Many companies were forced to suspend their activities or even close their own business process due to these force majeure circumstances. Companies that are still supporting themselves are using

digital tools and digitalization to continue their operations in the face of the above circumstances. An example of this is the transition from holding office meetings to virtual meetings where every employee is at home, using digital tools like Zoom, Skype, Microsoft Teams, Google, etc. The pandemic has given companies the opportunity to test which type of digitalization is working and which is not working for it. For many companies, this was and still remains a difficult task, since digital transformation did not fully go through the process transition within the organization and management, but began to require coordination activities among management in all its process phases of activity. In addition, many have argued that the use of digitalization works in times of crisis, but having a physical social structure around work is important for both well-being and efficiency [2].

With the development and improvement of new digital technologies with various forms of value creation, structural changes need to be made to provide an adequate framework for new digital operations of international organizations. These structural changes are especially concerned with the placement of new digital activities in corporate structures, as well as whether these changes have mainly affected skills, processes or products. Successful digital transformation requires a solid foundation based on creating the right culture in the company. A common vision of digitalization has been transformed into a clear set of digital initiatives, helping to unite all employees of the company around them.

Digitalization of the company's business processes and its structural divisions creates new opportunities for using effective management principles, approaches, methods, in particular, taking into account its modern concepts of development and cooperation with other companies. Digital technologies turn employees' workflows into clear, orderly, normalized, convenient and well-financially stimulated work and significantly affect time and employment in business processes. That is why the management of companies must make appropriate decisions regarding the digital transformation of certain processes of their campaign. The formed appropriate management decisions serve as a starting point for specific performers. Due to the fact that the automation of the performance of official duties and individual orders has actually become the de facto standard recently, the problem of digitalization of directly managerial functions is becoming particularly acute.

Thus, the most significant feature of the integrated digital transformation of international organizations should be the expansion of the automation loop to obtain a closed, self-regulating system capable of flexibly and quickly rebuilding the principles of its functioning. We can propose the following algorithm for the transition to a certain digitalization of company processes – to start with management documentary, information support for subject areas, communication software, means of organizing the collective work of employees and other auxiliary (technological) products. From this, it follows that a mandatory requirement for a comprehensive information system is the integration of a large number of software products..

Such a wide-profile system should equally, to the maximum permissible extent satisfy all divisions of the organization, if possible, preserve existing business processes, as well as methods and management structure. Without involving digitalization processes, it is almost impossible to control the processes that are constantly changing in society as a whole.

References

1. The digital transformation of industries: An immense opportunity for industry and society [E. resource]. [URL:https://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/wef1601-digitaltransformation-1401.pdf](https://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/wef1601-digitaltransformation-1401.pdf)
2. Schei A., Vartdal R. Urolig for at koronakrisen vil gi permanent digitalisering, 2020. URL: https://khrono.no/urolig-for-at-koronakrisen-vil-gipermanentdigitalisering/484255?fbclid=IwAR2NgQsfFBtvJt_LSBQ4lbRDpSvEeSJxRzTcUqf7jf0t6T5vC59C-fwAtJI