

## KEY ASPECTS OF THE THEORY OF DIGITAL TRANSFORMATION OF BUSINESS PROCESSES

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A B S T R A C T	K E Y W O R D S
In the article and study the methodological aspects of the digital transformation of business processes of enterprises. The analysis of foreign experience in the methodology of digital transformation of business processes of organizations was carried out. Proposals and recommendations for the methodology of digital transformation of business processes have been developed.	digitalization of business, digital process, digitalization of enterprises, digital technologies.

### INTRODUCTION

In recent years, private entrepreneurs, companies, enterprises and organizations in most countries have been optimizing costs, increasing profitability, establishing exports, improving the quality of products, goods and services sold using digital technology. In addition, recent events in the world, especially the COVID-19 pandemic, have shown the importance and necessity of digital transformation of business processes. As President Sh.M. Mirziyoyev , one of the priorities of the consistent socio-economic development of Uzbekistan is the widespread introduction of information, communication and digital technologies. It is digital technologies that are the effective tool that can ensure the qualitative reform of economic sectors and spheres of public life.

In the Address of the President Sh.M. Mirziyoyev to the Parliament and people of Uzbekistan in 2020, the issues of digital development were given. It is also symbolic that 2020 in Uzbekistan was declared the Year of the Development of Science, Education and the Digital Economy.

Inventions and mass use of even the simplest mechanisms and devices subsequently served as the basis not only for the emergence of other more complex developments, but also seriously influenced the

development of the economies of countries, society and social relations in general. A powerful breakthrough was made by computer technology. As you know, the first computers occupied a large area, weighed tons, and had a small set of functions. The situation changed dramatically with the advent of the integrated circuit, which was based on transistors, diodes, resistors, as well as a processor with a ready-made programmed algorithm. Thanks to this microcircuit, the computer began to go crazy on a regular table.

Time passes, people's views change, scientific and innovative ideas contribute to the constant improvement and updating of technology, the emergence of new modern products. The 21st century was marked by the rapid development of digital technologies, without which today it is difficult to imagine the future of spheres of life of society or sectors of the economy. Current consumers, customers prefer to receive high-quality goods and services as quickly as possible, in the minimum distance and having a choice of payment in any form.

## Literature Review

A number of publications have been published by foreign scientists, economists and experts who have been studying the digital economy and methodological aspects of the digital transformation of business processes for many years. Of interest are the works of N. Hanna<sup>1</sup>, M. Pratt <sup>2</sup>, D. Sparapani, N. Fenwick<sup>3</sup>, R. Kinzyabulatov<sup>4</sup> and others. They outline the theoretical foundations and practical experience in the field of the digital economy, as well as the digital transformation of business processes of enterprises and organizations in Europe, Asia and Russia.

Issues regarding the digital transformation of business processes of enterprises and organizations are described in detail in the joint research work of S. Kraus<sup>5</sup>, P. Jones, N. Cuyler, A. Weinmann, N. Chaparro-Banegas, N. Roig-Tierno.

Also, the research of domestic scientists is devoted to increasing the competitiveness of the national economy of the Republic of Uzbekistan in the digital economy, improving the theoretical and practical aspects of the digital economy, as well as the introduction of digital technologies in public administration. Research related to the use of information technology in the economy of Uzbekistan was carried out by such scientists as S.S. Gulyamov, T.S. Kuchkarov, A.T. Kenjabaev, A.T. Shermukhamedov, I.E. Zhukovskaya, T.Sh. Chodiev and others.

These studies of domestic scientists have made a huge contribution to the development of the digital economy.

In countries with developed and developing economies, digital technologies are actively integrated into socio-economic relations. What a few decades ago was possible mainly theoretically today is

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<sup>1</sup>Hanna N. A role for the state in the digital age. Journal of Innovation and Entrepreneurship 7, 5 (2018). URL: <https://innovation-entrepreneurship.springeropen.com/articles/10.1186/s13731-018-0086-3/> ( date circulation : 22.04.2022).

<sup>2</sup> Pratt M., Sparapani J. [DEFINITION] What is digital transformation? URL: <https://www.techtarget.com/searchcio/definition/digital-transformation/> ( date circulation : 22.04.2022).

<sup>3</sup> Fenwick N (Forrester) . Digital business: transformation, disruption, optimization, integration and humanization. URL: <https://www.i-scoop.eu/digital-transformation/digital-business/> (accessed 22.04.2022).

<sup>4</sup> Kinzyabulatov R. What is a business process and a description of a business process . [Electronic resource]. URL : <https://habr.com/ru/post/342448/> (date of access: 04/22/2022).

<sup>5</sup>Kraus S., Jones P., Kailer N., Weinmann A., Chaparro-Banegas N., Roig-Tierno N. 2021. " Digital Transformation: An Overview of the Current State of the Art of Research ," SAGE Open , vol . 11(3), pages 21582440211, September.

widely used in practice. Entrepreneurs often think, especially at the time of the formation of a strategy, about measures that contribute to the comprehensive growth of the business, updating weak functional links.

## Methods and Analysis

Theoretically, the digital transformation of the business processes of an enterprise is within the framework of management, therefore, the experience, skills and competencies of top managers are important here. As leaders, they are required to understand the weak, inefficient areas of the company's business process. Have clear information about the current state of affairs, substantiate, with the help of specific calculations and calculations, the need for digital transformation. Also have a vision of possible results based on the results of digitization.

There are many positive aspects of digital transformation of business processes. We list the most effective of them:

1. Opportunity to enter new markets.
2. Increase productivity by automating processes.
3. Improved employee experience.
4. Continuous improvement of business processes and customer relationships.

Let us explain these aspects.

The opportunity to enter new markets will allow companies to increase the volume of trade or the provision of services. If these are foreign markets, accordingly, there will be an opportunity to earn in foreign currency.

Increase productivity by automating processes. Digitization of processes will reduce the time spent on production, improve the quality and volume of manufactured goods.

Improved employee experience. Having skills and experience, employees do not have to work all in one place. The form of remote work has proven itself well, and some employers are willing to use a hybrid form. The emphasis is mainly on the results of the work of each specialist.

Continuous improvement of business processes and customer relationships. If a company does not innovate its processes from time to time, then it is unlikely that it will be able to increase its customer base. Consumers tend to choose, they opt for options that best satisfy their desires and demand.

One of the key aspects of the digital transformation of business processes is investing in the right technologies, that is, in those technological solutions that will suit and be useful specifically for your business. In this matter, you should be as prudent as possible, because the wrong technology will ultimately only harm your business. Inappropriate technologies will also have a negative impact on the course of the company's business processes. Simply, the money spent on the purchase of inappropriate equipment will be thrown into the street.

Some enterprise managers in the process of choosing technologies give preference to well-known brands, more promoted or advertised models, and also rely on popularity in terms of sales. Although in this case it is necessary to think about those technological solutions through which it will be possible to achieve the goal.

Technologies were chosen, bought, brought and installed. As a result, over time, we will notice that team members and other employees of the enterprise almost do not use these technologies, besides, poor integration with IT equipment of other departments will ultimately lead to unnecessary cost and inefficiency of the entire company.

The digital transformation of business processes consists of the following steps:

1. *Determination of conversion goals.* At the beginning of transformation planning, you need to have a clear idea of the goals.
2. *Establishment of baselines.* Create a list of measurable indicators to justify the success of the project.
3. *Involvement of all stakeholders.* Talk to team members to find out the weaknesses of the process, as well as the preferences and expectations of new ones.
4. *Preparing the best script.* With the help of diagrams, you need to create an optimal workflow path that will include the human and system tasks necessary to complete.
5. *Testing.* Create a process test model with a BPM program to test the interoperability between people and data.
6. *Creation of conditions for online monitoring.* To begin with, small teams need to be involved in the process in order to be able to observe the slightest changes that can affect the result.

Most business leaders are wondering when is the right time to transform business processes?

This is done in the following cases:

- If the number of competitors grows
- If decisions are made only on experience and status, without regard to data
- If there are small non-automated operations
- If your competitors are faster than you
- If the current process does not meet business requirements
- If profitability falls
- If there is a protracted nature in the adoption and implementation of the decision
- If the company's IT system is outdated
- If net income declines
- If there are many errors in the process
- If the surrounding technology is updated
- If your current corporate organization is not efficient.

Due to the fact that each company is individual in its own way, no one can guarantee the successful outcome of the digital transformation of the business process.

Research by influencers such as McKinsey and Harvard Business Review has shown us that up to 70% of business and digital transformation initiatives fail. But if you dig a little deeper, you'll find that it's not new technologies or business innovations that are actually defects. Weaknesses lie in poor planning, poor communication and change strategies, and a general inability of leaders and project managers to engage and gain support from all teams affected by the change. In other words, of the three main areas of digital transformation mentioned above, "cultural transformation" is often the least talked about, but in fact it may be the most important of all<sup>6</sup>.

In 2020, Oxford Economics conducted an extensive survey of over 3,000 executives from 10 of the world's largest industries. They found that business transformation works best "when every part of an organization, including its external partners and customers, is agile and connected. Leaders need to

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<sup>6</sup> [Business Technology Fundamentals](https://www.sap.com/insights/what-is-digital-transformation.html) : What is digital transformation? URL: <https://www.sap.com/insights/what-is-digital-transformation.html>/ ( date circulation : 12.04.2022).

ensure the flow of high-quality information throughout their business ecosystem, allowing all participants to interact in a way that contributes to the achievement of the organization's goals<sup>7</sup>.

So what are the causes of unsuccessful transformations?

Unfortunately, there are many such reasons, but almost all of them are related to the three digital transformation challenges of people, communication and measurement.

## Conclusion

The success or failure of the digital transformation of business processes depends on people, culture is also closely interconnected with people - one of the drivers of digital transformation.

Poor communication between management and team members in most cases negatively affects the progress of the transformation project. For example, managers should share their ideas and initiatives with employees of the enterprise, listen to their opinions, advice and recommendations.

Digital transformation implies the introduction of innovations, which means there will be changes in real processes. Now, to measure the effectiveness of the results of one (KPI) will not be enough, you will need to additionally include tools for evaluating the effectiveness.

## Literature

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<sup>7</sup> There same .