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CHALLENGES AND PROSPECTS FOR DIGITAL BUSINESS TRANSFORMATION

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Abstract: The theses examine the key challenges and prospects of digital business transformation in the context of military turbulence and the post-war recovery of Ukraine's economy. It is substantiated that the rapid development of digital technologies is shaping new approaches to doing business, creating competitive advantages, and building organizational models, while digitalization is becoming a critical condition for enterprises to adapt to dynamic environmental changes. Strategic initiatives for digital development are analyzed, including Ukraine's integration into the European digital space through the European Digital Innovation Hubs network, the functioning of state digital platforms and entrepreneurship support programs, as well as the role of digital tools in ensuring transparency in economic recovery processes. The key directions of digital business development in the post-war period are identified, namely the digitalization of logistics and supply chain management, the formation of adaptive strategic management models based on data analytics and artificial intelligence, and the development of digital culture and human capital. It is emphasized that successful digital transformation requires the comprehensive integration of technological, institutional, and human changes, which will contribute to increasing the competitiveness of Ukrainian enterprises and their integration into the global digital economy.

Key words: digital business; transformation; optimization; Ukraine.

The rapid development of digital technologies is causing fundamental changes in doing business, forming competitive advantages, and building organizational models [1-3]. In the global economic space, digital transformation has ceased to be an option or a long-term prospect - it has become a critical condition for the survival of enterprises, their ability to adapt to dynamic market changes, and to ensure stable rates of development. For Ukrainian businesses operating in conditions of military turbulence, resource constraints, and growing operational risks, digitalization is gaining particular relevance and strategic importance [4].

Digital innovation is a key factor in the reconstruction of Ukraine, whose economy has suffered significant losses as a result of a full-scale war. The slowdown in business activity, disruption of logistics chains, and destruction of infrastructure require enterprises to reorient towards technological solutions that ensure flexibility, resilience and competitiveness. In this context, digital transformation plays the role of a catalyst for economic growth, forming the basis of a modernized business ecosystem in the post-war recovery.

Regarding strategic initiatives and the restoration of digital infrastructure, the following main areas should be highlighted:

1. Integration into the European digital space. One of the strategic initiatives is Ukraine's accession to the European Digital Innovation Hubs (EDIH) network [5]. EDIHs are consortia that function as a network of knowledge, resources, and services aimed at supporting DH in various sectors of the economy.

- Support for small and medium-sized enterprises: EDIHs should become an important element of supporting small and medium-sized businesses in the DH sector. They provide technical and financial support for the acquisition of new technologies and infrastructure improvements.

- Education and consulting: EDIHs provide consulting and training to improve the digital skills of SMEs, including staff training, business process analysis, and implementation of effective digital strategies.

- Support programs: the Digital Europe program and other initiatives presented by EDIHs focus on ensuring access of SMEs to digital opportunities and resources.

Ukraine is already officially integrated into this system, which opens up access to funding, expertise, and international partnerships.

2. State platforms and initiatives:

- The «Diy» platform is recognized as one of the most successful examples of e-government in the world, providing over 120 electronic services.
- Grant support programs, in particular «eRobota», promote the development of SMEs and stimulate the digitalization of production and service processes.

- Ukrainian startups (Grammarly, GitLab, Reface, Ajax Systems, Preply) remain important drivers of Ukraine's digital image and attract investment even during the war.

3. Transparency and trust in the reconstruction process:

- Digital technologies provide transparency, speed, and efficiency in the processes of economic, infrastructure, and social recovery.

- The use of blockchain guarantees traceability of reconstruction costs, which is key to reducing corruption risks.

- Digital tools allow for end-to-end reporting, which increases the level of trust in data.

The long-term modernization of Ukrainian business depends on the large-scale implementation of digital solutions in strategically important sectors. Among the main areas of development of digital business in the post-war recovery, the following should be highlighted:

1. Development of logistics and supply chain management. Digital transformation in logistics is necessary for companies to survive in changing market conditions, since traditional logistics cannot provide sufficient flexibility, accuracy, and speed.

Telematics and GPS monitoring. The use of telematics systems, which include GPS, sensors, and specialized software, allows you to optimize delivery routes, reduce fuel costs, and reduce travel time. Telematics also provides constant monitoring of the technical condition of vehicles, allowing you to predict maintenance needs and avoid breakdowns.

Automation of warehouse processes. The use of robots and automated shelving systems (for example, as in Amazon) significantly increases the efficiency and speed of order processing. RFID (Radio Frequency Identification) technologies facilitate automatic identification and tracking of objects, increasing accounting accuracy and reducing inventory management costs.

Big Data and TMS. Big Data analysis allows you to make informed decisions, predict trends, and identify new opportunities. Transportation management systems (TMS) optimize and automate the processes of transporting goods, integrating planning, execution, and control.

2. Formation of adaptive strategic management [2, 4]. Digital transformation is shaping a new architecture of strategic management, where data-centricity and strategic flexibility are key:

- Data-centricity: strategic management is increasingly dependent on data analytics. Digital tools such as ERP systems, BI platforms, and KPI dashboards provide analytical support for management decisions and increase transparency.

- Flexibility and dynamics: the need to transition to adaptive digital management models that allow you to adjust strategic goals even every quarter, replacing the classic strategic cycle.

- Intelligent decision-making models based on AI provide predictability and reduce the human factor.

3. Development of digital culture and human capital. Successful DT requires not only technological renewal, but also changes in organizational culture and development of personnel competencies, namely:

- Digital management culture: it is necessary to create an environment where analytical thinking, data work, and digital literacy are considered core management competencies.

- Remote employment: digital tools contribute to the development of remote employment (for example, through the platforms Freelancehunt or Upwork), which is especially important for people who have lost their jobs or were forced to move due to war.

- Overcoming the personnel shortage: it is necessary to invest more in training employees to overcome the shortage of qualified personnel in the field of IT and digital technologies.

The conducted research allows us to conclude that the digital transformation of business in the conditions of war turbulence and post-war economic recovery of Ukraine is one of the key factors in increasing the competitiveness of enterprises. The active development of digital technologies forms new approaches to doing business, creating competitive advantages and building modern organizational management models, which ensures the ability of enterprises to adapt to dynamic changes in the external environment.

It was established that an important role in accelerating digital transformation is played by strategic initiatives of the state and international cooperation, in particular, the integration of Ukraine into the European digital space through the European Digital Innovation Hubs network, the functioning of state digital platforms

and programs to support entrepreneurship, as well as the use of digital tools to increase the transparency of economic recovery processes.

The promising areas of development of digital business in the post-war period are the digitalization of logistics and supply chain management, the implementation of adaptive models of strategic management based on data analytics and artificial intelligence, as well as the formation of a digital culture and the development of human capital. In general, effective digital transformation requires a comprehensive integration of technological, institutional, and human changes, which will create the prerequisites for the sustainable development of Ukrainian enterprises and their full integration into the global digital economy.

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