

UDC: 339.138

Aynur NAMAZOVA

Mingachevir State University (Azerbaijan)

teacher of the department of industrial organization and management

Dissertation student of Azerbaijan State University of Economics (UNEC).

aynur.namazova@mdu.edu.az

THE ROLE CREATED BY DIGITAL TRANSFORMATION AND DIGITAL INNOVATION

РОЛЬ ЦИФРОВОЇ ТРАНСФОРМАЦІЇ ТА ЦИФРОВИХ ІННОВАЦІЙ

Digital transformation is a concept that involves the integration of digital technologies and the creation of easy solutions for social and sectoral needs by changing business practices and culture accordingly.

According to another approach, digital transformation refers to a complete system restructuring, abandoning individual digitization initiatives, to facilitate processes and services as a whole, as well as interactions between citizens and service providers.

We are currently living in a time of rapid change. Technologies such as artificial intelligence, blockchain, cloud and quantum computing, data analytics, clones, drones and robots are rapidly moving from the realm of science fiction to everyday tools. The loop created by digital transformation and digital innovation is a fundamental driver of new types of business models and markets [1].

In the era of COVID-19, the government has transitioned to the next phase of digitalization. On the other hand, the pandemic has also shown how far many government agencies have to go to become truly digital organizations. In many countries, social media websites have crashed and call centers have been overloaded as demand for unemployment benefits, part of social measures designed to offset the economic damage caused by the pandemic, has increased. Even before the pandemic, institutions were doing some digital work. That is, despite the fact that they used digital technologies to increase their capabilities, they were still fundamentally based on old operating models. During COVID-19, many governments Digital economy. Digital transformation has prompted the next phase of digital transformation, complete digitization of services. As a result of the surveys conducted by separate survey companies, it was found that 77 percent of the respondent government agencies said that the digital transformation initiatives launched during the pandemic had a positive impact on the reputation of their organizations in the short term [2].

Applying technologies to business processes is only a small part of the digital transformation of a business. Technologies must also create added value for customers, business partners and other important stakeholders. “To succeed in digital transformation, leading companies are focusing on two complementary activities: reshaping their customer value proposition; enabling customers to transform their operations using more interactions and technologies. It should be noted that the business-customer concept

constitutes the basic principles of the application of digitalization in state-citizen relations.

The digital transformation that started in business becomes a necessity by playing the role of experiment in the direction of digital transformation for governments in the next stages. The digital transformation of government, in turn, requires the introduction of radical changes in government operations, internal and external processes, and structures to achieve greater openness and collaboration.

Despite the advances in digitization around the world today, more work is needed to make governments truly "digital." At the heart of digital transformation are all steps, from the specific application of digital solutions to the design and implementation of digital technologies, which eventually transform all structures within the organization and generally become part of the organization's DNA [3].

To enable digital transformation, governments must have a coherent and comprehensive transformation strategy.

List of references

1. E.Süleymanov, X.Həşimova “Elektron ticarətin Azərbaycanca inkişaf perspektivləri”.
2. As governments launch massive spending measures to address the COVID-19 pandemic, the latest Open Budget Survey points to weak transparency and oversight of government spending. <https://www.internationalbudget.org/open-budget-survey> (date of access: 14.10.2023).
3. Berman, S.J. (2012) Digital Transformation: Opportunities to Create New Business Models. *Strategy & Leadership*, 40, 16-24. <https://doi.org/10.1108/10878571211209314>