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ENTERPRISE' BUSINESS ADMINISTRATION FEATURES IN THE CONDITIONS OF DIGITAL ECONOMY INCIPIENCE

The article examines the peculiarities and most important directions of the transformation of the enterprise's business administration in the conditions of the formation of the digital economy. The trends in the development of the digital economy and its impact on business administration at enterprises are disclosed; the need to apply a client-oriented approach in the practice of the company's activities, taking into account the development of the digital economy and transformational processes in business administration; tools for implementing a client-oriented approach and behavioral marketing in the business administration of the enterprise are defined; the role and place of the concept of continuous improvement of activities in the business administration system of a modern enterprise is defined; the expediency and peculiarities of using business process reengineering in the business administration system as an effective method of exiting crisis situations are analyzed; the decomposition of the enterprise reengineering procedure into separate successive stages and sub-stages was carried out; the trends of changes in human resources management as a direction of business administration of the enterprise and the directions of using digital and social channels to involve personnel in digitalization processes and the formation of a new digital organizational culture are determined. Recommendations on the effective construction of the business administration system of the enterprise in the conditions of the formation of the digital economy have been developed. The main research methods were general scientific methods: analysis and synthesis, scientific abstraction, comparison and analogy, information search method. Among the most important directions of the transformation of the business administration of the enterprise under the influence of the digitalization of the economy, customer orientation, the creation and development of platforms for interaction with partners through the formation of ecosystems in the business environment, behavioral marketing, the construction of a system of continuous improvements and development, new approaches to the involvement and development of employees based on digital cultures. The most important directions of digital transformation affecting business administration processes are client-centricity, value proposition management systems, implementation of an innovative culture within the company, etc.

Key words: *business administration, enterprise, digital economy, business processes reengineering.*

ОСОБЛИВОСТІ БІЗНЕС-АДМІНІСТРУВАННЯ ПІДПРИЄМСТВА В УМОВАХ СТАНОВЛЕННЯ ЦИФРОВОЇ ЕКОНОМІКИ

У статті досліджено особливості та найважливіші напрями трансформації бізнес-адміністрування підприємства в умовах становлення цифрової економіки. Розкрито тенденції розвитку цифрової економіки та її вплив на бізнес-адміністрування на підприємствах; констатовано необхідність застосування в практиці діяльності підприємства клієнтоорієнтованого підходу, враховуючи розвиток цифрової економіки та трансформаційні процеси в бізнес-адмініструванні; визначено інструменти реалізації клієнтоорієнтованого підходу та поведінкового маркетингу у бізнес-адмініструванні підприємства; визначено роль та місце концепції безперервного вдосконалення діяльності у системі бізнес-адміністрування сучасного підприємства; проаналізовано доцільність та особливості використання реінжинірингу бізнес-процесів у системі бізнес-адміністрування як дієвого методу виходу з кризових ситуацій; здійснено декомпозицію процедури реінжинірингу підприємства на окремі послідовні етапи та під етапи; визначено тенденції змін управління людськими ресурсами як напрямку бізнес-адміністрування підприємства та напрямів використання цифрових та соціальних каналів для залучення персоналу до процесів цифровізації та формування нової цифрової організаційної культури. Розроблено рекомендації щодо ефективної побудови системи бізнес-адміністрування підприємства в умовах становлення цифрової економіки. Як основні методи дослідження виступили загальнонаукові методи: аналіз та синтез, наукова

абстракція, порівняння та аналогій, метод інформаційного пошуку. Серед найважливіших напрямів трансформації бізнес-адміністрування підприємства під впливом цифровізації економіки виділено клієнтоорієнтованість, створення та розвиток платформ для взаємодії з партнерами через формування екосистем у бізнес-середовищі, поведінковий маркетинг, побудову системи безперервних покращень та розвитку, нові підходи залучення та розвитку співробітників на основі цифрової культури. Найважливішими напрямками цифрової трансформації, що зачіпають процеси бізнес-адміністрування, є клієнтоцентричність, системи управління ціннісними пропозиціями, впровадження інноваційної культури всередині компанії тощо.

Ключові слова: бізнес-адміністрування, підприємство, цифрова економіка, реінжиніринг бізнес-процесів.

Statement of the problem in general and its connection with important scientific and practical tasks. The digital economy significantly affects the conduct of business, forms a new type of organizations that undergo a complete restructuring of their business processes. The entire complex of business administration of the enterprise is undergoing serious changes that relate to management methods, newly implemented technologies, products, etc. methods, methods of business management and conditions of its operation. Digital tools are embedded in the company's activities, completely transforming its business processes.

Analysis of recent research that has begun to solve the problem. In the scientific literature, there are studies on the management of an economic entity in the conditions of digitalization, legal aspects of managing a digital enterprise [Kis, 2020; Industry 4.0, 2020; Unpacking E-Commerce, 2019], features of business administration at the enterprise and management of its business processes [Osterwalder and Pigneur, 2010; Alfred et al., 1961; Williamson, 2005; Kis et al., 2019; Hatem et al., 2019; Al-Shammari et al., 2020; Özer and Savaş, 2000]. At the same time, no attention has been paid in the scientific literature to researching the peculiarities of the development and transformation of the business administration of the enterprise in the conditions of digital economy formation.

Currently, scientific literature thoroughly describes the progress in the field of informatization, the development of digital technologies, which contributes to the emergence of a large number of scientific and technical innovations: Big Data and business analytics, cloud computing and other platform technologies, mobility solutions and geolocation systems, social networks and applications for collaborative work, connected devices and the Internet of Things (IoT), artificial intelligence and machine learning, virtual reality, etc. [Kis, 2020; Industry 4.0, 2020; Unpacking E-Commerce, 2019] have found application in various areas of business, expanding the possibilities of automating companies' activities. Such a comprehensive penetration of digital technologies into our lives was called digitalization, in addition to which the terms digitalization, digital transformation, digital transformation, etc. can be used [Industry 4.0, 2020; Unpacking E-Commerce, 2019; Osterwalder and Pigneur, 2010; Al-Shammari et al., 2020; Özer and Savaş, 2000].

Objectives of the article. The main purpose of the article is to determine the features and most important directions of the transformation of the business administration of the enterprise in the conditions of the formation of the digital economy. To achieve the set goal, the following scientific tasks have been defined: to reveal the trends in the development of the digital economy and its impact on business administration at enterprises; actualize the need to apply a client-oriented approach in the practice of the enterprise, taking into account the development of the digital economy and transformational processes in business administration; determine the tools for implementing a client-oriented approach and behavioral marketing in the business administration of the enterprise; determine the role and place of the concept of continuous improvement of activities in the business administration system of a modern enterprise; to analyze the expediency and peculiarities of using business process reengineering in the business administration system as an effective method of getting out of crisis situations; carry out the decomposition of the reengineering procedure of the enterprise into separate

successive stages and sub-stages; determine the trends of changes in human resources management as a direction of business administration of the enterprise and directions of using digital and social channels to involve personnel in digitalization processes and the formation of a new digital organizational culture; to give recommendations on the effective construction of the business administration system of the enterprise in the conditions of the formation of the digital economy. To solve the tasks, general scientific methods were used as the main research methods: analysis and synthesis, scientific abstraction, comparison and analogies, information search method.

Presentation of the main material of the research with substantiation of the obtained scientific results. In today's conditions of large-scale digitalization and continuously growing competition in the market, companies need to rationally approach the issue of their activities in order to maintain their positions. The entire activity of the company can be divided into separate processes, the successful implementation of which leads to the achievement of the set goal. A business process as an object of business administration of an enterprise is a system of consistent, purposeful and regulated activities in which, with the help of management influence and resources, process inputs are transformed into outputs (process results) that constitute value for consumers (Alfred et al., 1961). The formation of the digital economy is characterized by the active introduction of revolutionary changes, guidelines, directions of strategic transformations into the enterprise's business administration processes.

Business administration is a professional implementation of management activities through a system of organizational tools, competencies and divisions using management methods from strategic to tactical (Williamson, 2005). The business administration of the enterprise is undergoing serious changes in the era of the digital economy. The digital economy is the era of new business processes. Let's consider the directions in which the development of business administration takes place under the conditions of digitalization of society.

One of the features of the business model in the conditions of the digital economy is high customer orientation. The development of the digital economy and the transformational processes taking place in business administration exacerbate the need to apply a client-oriented approach in the practice of enterprise activity (Kis, 2020).

The implementation of a customer-oriented approach becomes possible thanks to the development of digital marketing and communications. The creation of conditions for the implementation of a client-oriented approach in enterprise' business administration becomes possible thanks to the formation of new business models of doing business. Such business models are formed on the basis of the potential of using digital technologies in the business processes of organizational divisions under the influence of the economy digital transformation.

The following are among the main features of a client-oriented organization: 1) the process of making management decisions within the company is built based on the focus on the consumer and its interests; 2) active development of human potential within the organization, the opportunity to realize and apply it in practice; 3) participation of the organization's personnel in decision-making regarding the organization's activities; 4) the use of relevant marketing information due to the increase in the speed of receipt of this information, the possibility of using new methods of information processing, such an opportunity appears during digital transformation; 5) client orientation is fully embedded in the thinking of managers and the corporate culture of the organization (Williamson, 2005).

It is possible to form tools for the implementation of a client-oriented approach due to the use of CRM. These systems allow you to automate and standardize customer relations. Thanks to the integration of CRM into the organization's IT architecture, an understanding of customer problems is achieved from the point of view of various business processes of the company.

Among the main areas of development of business administration under the conditions of digital transformation are collaborations. In fact, it is about creating innovative ecosystems. These ecosystems are considered as cooperation mechanisms of market participants, who combine all their developments and offers in terms of customer and project orientation in order to establish stable connections and obtain key unique advantages in the market. The created innovative ecosystems include enterprises, technology parks, funds of a financial or venture nature, engineering structures and other territorial and industry structures. The activity of this ecosystem is aimed at the generation of new projects, at the development of proposals to improve environmental safety and resource conservation. At the heart of the ecosystem angle is client-orientation of all participants, as well as openness, self-organization and interaction (Kis et al., 2019; Hatem et al., 2019).

The peculiarity of the ecosystem association is that it belongs to one participant. Therefore, business administration in the conditions of the enterprise's participation in such innovative ecosystems undergoes serious transformational processes. The management of such participants is based on the principles of self-organization, cooperation with third-party enterprises, partnership is the basis of relations between participants.

A fairly pronounced trend in the business administration of an enterprise in modern conditions is the orientation of the activities of all structural divisions of the organization to market needs, i.e. behavioral marketing. Behavioral marketing is manifested as the activity of managing the behavior of individuals based on the principles of marketing. The process of managing the behavior of individuals takes place through its interaction with this enterprise (Kis et al., 2019).

In order to implement behavioral marketing in the organization's practice, it is necessary to integrate the following into the company's business processes: 1) continuous collection of data about the company's customers or potential customers. The online environment greatly simplifies the process of collecting data about consumers through websites, mobile applications, social networks and more. However, there are opportunities for obtaining information for the offline environment as well. For example, through the client's map, you can understand the frequency of visits, the size of purchases and their composition; 2) audience analysis and segmentation. The obtained data must be analyzed in order to identify patterns in consumer behavior, divide the audience into segments and determine the scenarios of each behavior model; 3) application of the obtained data in order to activate the marketing company. As a result of the analysis, the knowledge gained about consumers and their various segments can be used to create personalized offers and conduct marketing campaigns.

The digital transformation of the economy and society leads to the need for enterprises to continuously respond to changes occurring inside and outside the company. One-time changes in the dynamic digital environment that occur in the management of the company are no longer relevant. Therefore, the concept of continuous improvement of activities has become widespread in management. This concept was first formulated by the Japanese (Al-Shammari et al., 2020; Özer and Savaş, 2000). It is based on ideas of self-improvement that are traditional for the East. Followers of this concept and approaches to management became Western approaches, namely: 6 sigma, lean production, total quality management system. Company management in the conditions of a digital society is undergoing changes due to the organization's desire to become an initiator of changes in the market. This becomes possible due to the proactive behavior of the organization. Knowledge management occupies special attention among different approaches to creating continuous improvement systems. Today, knowledge management is highlighted in management as an independent approach to managing an innovative organization.

At the same time, even after introducing the concept of continuous improvement of activities, any enterprise may eventually face a crisis situation, to overcome which there is a need for

radical changes in the processes carried out by the company. In order to solve this problem, a new method was developed in the 1990s – business process reengineering (BPR – Business Process Reengineering). The most famous scientists who made a significant contribution in this direction are M. Hammer, J. Champi, J. Carlson, J. Martin, I Jacobson, T. Davenport, B. Willoch, H. Johanson (Siriginidi, 2000; Alfnes, 2005; Schniederjans and Kim, 2003).

Reengineering is a fundamental rethinking and radical redesign of business processes to achieve dramatic, leap-like improvements in such key performance indicators for modern business as costs, quality, service level, and responsiveness [Siriginidi, 2000].

In general, the essence of reengineering is to eliminate "bottlenecks", that is, the most problematic areas of business processes. Improvement of business processes can be carried out in two ways: either by vertical or horizontal "compression" of business processes. Vertical "compression" of a business process means reducing the levels of the functional hierarchy involved in the execution of the process. Horizontal "compression" of the business process includes: reducing the time of procedures, the number of procedures, increasing efficiency (Alfnes, 2005).

It's worth noting that the concepts of "reengineering" and, for example, "restructuring" are not equivalent, many modern authors share these definitions. The essential difference between them lies in the scale of the implemented changes and, as a result, in the scale of improvement of the results of activity compared to the old system. The restructuring of business processes can be characterized as, often, the introduction of minor changes, with little risk, leading to a small increase in system efficiency, while reengineering methods are more global and are able to lead to a significant, sharp increase in the performance indicators of the enterprise 500-1000% and more (Schniederjans and Kim, 2003).

The companies IBM, Kodak, American Express, Ford Motor, Chrysler, Texas Instruments, and Duke Power became vivid examples of reengineering in foreign practice. As a result of the application of business process reengineering, the IBM Credit company managed to reduce the time of processing loan requests from 7 days to 4 hours, the number of processed requests increased 100 times (Alfnes, 2005). Ford Motor Company was able to reduce the number of employees from 500 to 125 by automating the payment in the receiving department.

To achieve the maximum effect from reengineering, the selected processes should not just be improved, but developed from scratch. Especially in recent years, thanks to the large-scale digitalization of business, many opportunities for automating activities have appeared, which allowed to completely combine, improve or even completely eliminate some business processes, freeing up significant amounts of capital.

Reengineering of business processes in the business administration system is an indispensable method of getting out of crisis situations, however, the use of this method is also justified as a preventive measure, when there is an unfavorable forecast of a reduction in the company's profit, loss of competitive advantages, or in situations where there is an obvious problem of reducing the efficiency of one or another processes. At the same time, even relatively successful companies can use this method to achieve a competitive advantage and a sharp separation from competitors.

The successful application of this method is possible in many sectors of the economy, reengineering is adopted by most companies in the world, as it allows to significantly increase the efficiency of operations due to the restructuring of business processes.

The reengineering of business processes still remains a rather large-scale process, the successful implementation of which requires the use of various business administration methods and models. The entire reengineering procedure can be decomposed into separate sequential stages and substages, presented in Table 1.

Table 1. Stages of business process reengineering*

No.	Stages	Steps (sub-stages)
1	Preparatory stage	1.1 creating a project team; 1.2 identification of business processes; 1.3 classification of business processes; 1.4 selection of business processes for reengineering; 1.5 selection of used models and methodology; 1.6 development and coordination of work stages; 1.7 construction of a calendar plan for the reengineering of the company's business processes.
2	Visualization	2.1 analysis of company development scenarios based on reengineering goals; 2.2 development of a system of criteria for evaluating the effectiveness of existing and prospective business processes.
3	Modeling of business processes (within the existing model of business administration), their evaluation (reverse engineering)	3.1 modeling of the organizational structure of the enterprise; 3.2 building a model of business processes; 3.3 assessment of the effectiveness of existing business processes according to previously selected criteria; 3.4 assessment of process steps in terms of their necessity; 3.5 checking the adequacy of existing business process models; 3.6 adjusting the reengineering goals set forth in the visualization stage.
4	Construction of a new model of business processes (direct engineering)	4.1 development of recommendations for optimization of existing business processes; 4.2 development and modeling of a new model of business processes; 4.3 optional construction of several model options; 4.4 assessment of the efficiency of business processes according to previously selected criteria; 4.5 comparison with the old model of business processes; 4.6 formation of a new organizational structure; 4.7 development of recommendations for the implementation of a new model of business processes.
5	Use of a new model of business processes	5.1 drawing up a plan for the implementation of new business processes; 5.2 informing and training personnel; 5.3 introduction of new business processes.

* formed by the author on the basis of (Siriginidi, 2000; Alfnes, 2005; Schniederjans and Kim, 2003; Bahramnejad et al., 2015; Kis et al., 2020).

Implementation of some of these stages is impossible without the application of certain methods and models of business administration. Yes, in the course of reengineering, you should not change all business processes without exception at once, because such work, especially in large companies, can be too time-consuming and time-consuming and will lead to dispersion of efforts. Therefore, it is recommended to simultaneously allocate about 20% of all identified business processes according to the Pareto principle (Hatem et al., 2019). After their improvement, you can start changing the next group of processes.

Thus, all existing business processes in the company should be diagnosed. To select business processes for reengineering (paragraph 1.4.), it is necessary to rank them according to the priority indicator, which may include various criteria: 1) the importance of the business process; 2) problematic business process; 3) the possibility and cost of making changes to the business process with the construction of a new model of business administration (Schniederjans and Kim, 2003).

It should be said that the digitalization of the economy also affects the directions of changes in the management of employees, their development taking into account a special digital culture and thinking. Both the content of personnel management processes and the requirements for specialists in the field of personnel management are changing. In the conditions of digital transformation, the leading role, which consists in involving employees in the processes of digital changes of the organization, rests with specialists in the field of personnel management.

These specialists must be proactive and willing to use human resources capable of ensuring continuity of performance management, as well as real-time feedback (Kis et al., 2019; Bahramnejad et al., 2015; Kis et al., 2020).

Such a direction of business administration of the enterprise as human resources management is undergoing serious changes of a communication nature. Involvement of personnel in digitalization processes becomes possible due to internal cooperation, use of digital and social channels during the work of employees, active use of social networks, mobile applications (Özer and Savaş, 2000).

Digitization leads to the need to use new approaches to attracting and managing personnel. In such modern conditions, changes in the competent level of personnel, including technological, educational and communication, are required. The involvement and changes of the organization's personnel can be managed with the help of the following tools: open information policy, demonstration of successful examples and advantages of digitalization, a new digital enterprise management system formation and a new digital organizational culture.

Conclusions, discussions and recommendations. Among the most important directions of the transformation of the business administration of the enterprise under the influence of digitalization of the economy can be distinguished: customer orientation, creation and development of platforms for interaction with partners through the formation of ecosystems in the business environment, behavioral marketing, building a system of continuous improvements and development, new approaches to the involvement and development of employees on the basis of digital culture.

The digital economy continues to develop and affect business processes that take place both inside and outside the company, so the transformation of the enterprise's business administration processes will gain momentum, undergoing new and new changes. The most promising directions of digital transformation affecting business administration processes will be: client-centricity, value proposition management systems, implementation of an innovative culture within the company, etc.

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