

# ECONOMY

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## **THEORETICAL ASPECTS OF DIGITALIZATION AS A FACTOR IN FORMING THE COMPETITIVENESS OF ENTERPRISES**

In the context of globalization, accelerated technological development and growing instability of the market environment, the competitiveness of enterprises is becoming a key factor in their development. Digitalization is a tool for optimizing the activities of enterprises, a key factor in the formation of their competitive advantages. Modern digital technologies are fundamentally changing business processes, approaches to management and interaction with customers.

A large number of scientific works are devoted to the study of the features of digitalization and its impact on the competitiveness of enterprises, in particular [1; 3; 4]. However, the historical aspect of the emergence of digitalization as a key to a correct understanding of its modern role and future consequences requires more detailed development.

Gray Jeff and Bernhard Rumpe gives the following definition of digitalization: “Digitalization is the use of digital technologies to change the business model and provide new opportunities for profit and value creation; it is the process of transitioning to a digital business; he integration of many technologies into all aspects of everyday life that can be digitized” [5]. Researching the meaning term, describing digitalization, Klymenko Konstantin notes that digitalization is a definition characterized by transformational changes aimed at a symbiosis of digitization and software [2].

The study of the features of the emergence and development of digitalization processes is directly related to the historical features of the formation of our society, its gradual transformation under the influence of a significant number of factors of various nature.

The first steps towards the digitalization of business processes were taken at the beginning of the 20th century. During this period, companies began to use mechanical and electromechanical devices for accounting, payroll, and data processing. Although these systems were not yet digital, they laid the foundation for the further automation of management processes.

In the 1950s and 1960s, electronic computers began to be used in large corporations and banks. They were used for financial calculations, production planning, and inventory management. Computerization significantly reduced information processing time and reduced the number of errors in business transactions.

In the 1970s and 1980s, automation became widespread, involving the introduction of accounting systems, enterprise resource planning (ERP), and customer relationship management (CRM). They provided integration of production, logistics, finance, personnel. During this period business began to move from fragmented automation to comprehensive data management.

The end of the 20th and beginning of the 21st centuries was marked by the emergence of the Internet, which caused radical changes in business processes. The virtualization of business arose and was quickly implemented, the components of which are e-commerce, online banking, digital marketing, remote customer service, social networks, and corporate websites. Business processes became customer-oriented, and the speed and availability of information turned into a competitive advantage.

In the 21st century, cloud technologies, big data, artificial intelligence, machine learning and robotic process automation (RPA) allow companies not only to automate operations, but also to make management decisions based on data analytics. Business becomes more flexible, adaptive and innovation-oriented. This stage is called smartization.

Thus, the history of digitalization of business processes demonstrates a gradual transition from manual labor to intelligent digital systems. Modern business is no longer imaginable without digital technologies, the further development of digitalization will determine the competitiveness of enterprises in the future. The evolution of digital technologies in the real sector of the economy demonstrates a consistent transition from automation through virtualization to smartization, where modern tools based on artificial intelligence, big data and automated communications become key factors in effective management and ensuring business sustainability in conditions of war and constant market turbulence.

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