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DIGITAL TRANSFORMATION EFFECT ON FORMATION OF SERVICE MANAGEMENT SYSTEM

Gurenko A.V.

PhD Associate Professor of Economics

ORCID: 0000-0001-6632-6984

*Azov Maritime Institute National University "Odessa Maritime Academy",
Mariupol, Chornomorska 19, 87517*

Abstract. *The paper discusses the trends of digitalization. The features of the transformation of business processes in the conditions of digitalization are determined. The role of service systems in the conditions of the modern market is substantiated. Studied features of the functioning of service systems. The specificity of building a modern service management system in the conditions of digitalization has been determined. The problems of digital transformation in Ukraine are studied. Recommended measures to improve service management in the conditions of digitalization: creation of customer service, expansion of partnership and collaboration programs, activation of work with data (Data Governance, Big Data), innovations (R & D), value formation, the formation of HR-strategy and culture of innovation.*

Keywords: *market, global competition, digital technologies, business processes, services, website creation, social network accounts, mobile application development, chat bots, Big data, mobile services, customer service, culture of innovation.*

Introduction. The key trends that determine the direction of modern business are the increase in the international trade, the growth in the number of regional trade agreements, the total market capitalization of the largest companies, the redistribution of jobs from material production to services, the active use of the Internet, the increase in traffic, the introduction of new digital technologies [1]. The variability of the external and internal business environment leads to uncertainty and heterogeneity of situations in management. The penetration of the Internet and communication technologies in all areas of the economy has created a world of global competition, where rapid changes are constantly taking place. The mass consumer changes into an individual and more susceptible to service, novelty, quality of products and services [2].

The main text. The development of digital technologies (digitalization) qualitatively changes the constituent elements of business processes and increases the role of services. First of all, the Digital transformations have affected areas that are

highly responsive to competition and work with big data (retail, e-commerce, banks). The first manifestation of the digital transformation was the expansion of information exchange with the client: website creation, social network accounts, mobile application development, chat bots. Further, the digitalization began to affect more profound business processes aimed at improving services such as production, personnel management, internal communications. As a result of the transformation, new information technologies are being introduced. That allows to analyze Big data, cloud and mobile services and to develop agile [3].

The reorientation of management systems is directly related to the development of service strategies that imply the application of new service principles and customer satisfaction measurement tools. Actual service systems may vary significantly. At the enterprises of the material production the role of specially trained personnel, pre-sales and after-sales services, availability of warranty periods for service programs, consulting, dealer, distribution centres has been increased. In the service sector the attention is focused on the concept of interaction, the formation of service programs, the creation of a positive customer experience, positive emotions and loyalty.

In the context of the digital transformation, the specific character of a modern service management system building is to constantly study market conditions and consumers' behaviour. But at the same time it is important to find the best partners for joint operation in production and service sectors, taking into account the digital transformation of the market environment. The integration and cooperation of business processes, search for partners in mutually complementary and related areas, joint development of service programs for the product improvement (quality, attractiveness, ease of purchase, delivery and use), automation of production and internal processes, simplification of internal and external communications are the targets of companies [4].

The joint creation of a complex of services based on the integration of digital technologies allows to build high-quality customer service, to create comfortable conditions for the consumption of goods and services, to ensure the company's interaction with the customer and to minimize the role of the physical location of

participants in market relations. In the conditions of digitalization the service focuses on narrower segments, it becomes a part of the consumer communication system, the content provider and the interactive element.

Currently, the number of companies using digital technologies for servicing (banks, transportation, retail, consulting) is rapidly growing in Ukraine. At the same time, digital development is accompanied by a number of problems. First, it is the complexity of implementation. Companies can use industry-specific digital tools, analysis systems, services project management, which complicates the integration and adaptation. Secondly, they are difficulties in the adaptation of employees. Transformations complicate the organizational and technical processes, the updating and complication of digital platforms affect the quality of work in the systems. Thirdly, it is cultural restrictions and changes in client communication procedures. The interaction with the client is replaced by computers and other means of communication (collaboration, self-service, transparency), which is not always positively perceived by a person. Fourthly, the acceleration of the pace of the new digital technologies emergence complicate the development of potential ideas for future interaction with customers. It is difficult for companies to generate and evaluate business hypotheses of new service technologies, to test and research them. Fifthly, the complication of ensuring cyber security. The level of companies information vulnerability increases.

Conclusions. The global changes in the market form the need to rethink the role and place of the digital transformation in the service management. The key areas for improving service systems should be the creation of customer service, the expansion of partnership programs, the intensification of work with data, the introduction of innovations, the formation of product values for the client, the formation of a culture of innovation. The practical implementation of the above recommendations suggests the following:

1. Creation of a customer service (Customer Centricity) by introducing omnichannel, analytics, variability, adaptability and forecasting tools. This will ensure a

quick response to reactive market changes, adaptation to the rapidly changing consumption and communication culture.

2. Expansion of the partnership and collaboration programs (Partner Centricity) through the development of infrastructure for the digital transformation. It provides the openness of the interaction of computer programs, the compliance of standards for the operating system functions calling (API), the flexibility of their integration. The advantages of such solutions are the possibility of using new non-standard solutions in the development of products and services, integration with other services and partner companies (the joint product strategy: retail bank - insurance).

3. Activation of work with data (Data Governance), i.e. collection and sorting of data, analysis and evaluation of data for making decisions, use of data and implementation in the daily activities of the company. Big Data is considered as a working tool that simulates customer behaviour, predicts demand and forms preferences. Artificial intelligence, neuronets become a part of the service companies (finance, retail, medicine).

4. Innovation (R&D) involves the transition from a preliminary design model to a model of constant experimentation. In the rapidly changing market conditions, the service management system minimizes the number of preliminary marketing research and increases the possibilities of testing solutions through digital technologies. Modern methods of project management and analytics are applied, innovation (research and development) centres are formed. They are regularly engaged in searching and testing new service areas.

5. Value formation (Value) by means of the digital transformation of the product for the client. It is important to create the conditions for convenient and optimal consumption, e.g. remote purchase, banking services, 24/7 operational support, the creation of the Internet of Things (IoT), etc. Such actions change the economic model, the business structure and the scaling model. New opportunities for the rapid development of services become available to the business. For the modern customer, the “digital” becomes the value.

6. The formation of HR-strategy and culture of innovation (Digital culture) is aimed at minimizing the obstacles to the transformation of the service management system. The main objectives of the companies are the increase of the team motivation, the promotion of continuous development, the education, the professional development and staff expertise. Structures in companies change (Transformation Team), new positions appear (Chief Digital Officer, Chief Data Officer, Data Scientist), integration of various fields of the company's activity occur.

The recommended areas are more relevant for medium and large businesses in the "B2C", "B2B", "B2G" segments. Small businesses can be limited by using multiple digital tools. These processes are able to stimulate the emergence of a new digital economy, where new ideas, aggregate knowledge, exchange, telecommunications and information technology will become the main value of the company. The ability to use modern means of communication and cooperation with customers and partners will be one of the main competitive advantages of modern companies.

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***Abstract.** В работе рассмотрены тенденции диджитализации. Определены особенности трансформации бизнес-процессов в условиях диджитализации. Обоснована роль сервисных систем в условиях современного рынка. Изучены особенности функционирования сервисных систем. Определена специфика построения современной системы сервис-менеджмента в условиях диджитализации. Изучены проблемы цифровой трансформации в Украине. Рекомендованы мероприятия по улучшению сервис-менеджмента в условиях диджитализации: создание клиентского сервиса, расширение*

программ партнерства и коллаборации, активизация работы с данными, внедрение инноваций (R&D), формирование ценности, формирование HR-стратегии и культуры инноваций.

Keywords: *рынок, глобальная конкуренция, цифровые технологии, бизнес-процессы, сервис, создание сайтов, учетные записи в социальных сетях, разработка мобильных приложений, чат-боты, большие данные, мобильные сервисы, обслуживание клиентов, инновационная культура.*

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