

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE**

**SUMY STATE UNIVERSITY**

*Academic and Research Institute of Business, Economics and Management*  
(Institute/faculty)

*Department of Economics, Entrepreneurship and Business Administration*  
(Department)

“Defense allowed”

Head of the Department

\_\_\_\_\_ *Oleksandra KARINTSEVA*  
(signature) (Name and SURNAME)

“ ” \_\_\_\_\_ 2024.

**QUALIFICATION WORK**  
**towards attaining a Master’s Degree**

specialty *073 Management*,  
(code and title)

*educational-professional* program *Business Administration*  
(educational-professional / educational-scientific) (program)

Topic: The impact of digital transformation on business management

Student

BA.m-22an  
(group code)

Xing LU  
(student’s Name and SURNAME)

The qualification work contains the results of own research. The use of ideas, results and texts of other authors are linked to the corresponding source.

\_\_\_\_\_  
(signature)

Xing LU  
(student’s Name and SURNAME)

Supervisor: Assistant, PhD, Associate Professor Viacheslav VORONENKO \_\_\_\_\_  
(position, academic degree, academic title, Name and SURNAME) (signature)

**Sumy – 2024**

*Ministry of Education and Science of Ukraine*  
Sumy State University  
**DEPARTMENT OF ECONOMICS, ENTREPRENEURSHIP  
AND BUSINESS ADMINISTRATION**

APPROVED  
Head of the Department  
of Economics, Entrepreneurship and Business  
Administration  
\_\_\_\_\_  
*Oleksandra KARINTSEVA*  
06.05.2024.

**ASSIGNMENT**  
**for the qualification work**  
**towards attaining a Master's Degree**

Student of group BA.m-22an, 2 year of study ARI BiEM  
Specialty 073 "Management"  
Study program 8.073.00.09 "Business Administration"  
Student name Xing LU

The topic of the qualification work: The impact of digital transformation on business management

Enacted by the SumDU order № \_\_\_\_ from " \_\_\_\_ " \_\_\_\_\_ 2024.  
Date of finalised Thesis submission: 27.06.2024.

Initial data for research: financial statements of "EPAM SYSTEMS" LLC (form № 1)

Content of the main part of the qualification work (list of questions to be considered):  
theoretical aspects of the influence of digital transformation on the management of business; methodical aspects of the impact of digital transformation on the management of business; improving business management through digital transformation.

List of illustrations (should be presented during the defence):  
figures 1-9

Date of receiving the assignment: 06.05.2024.

Master Thesis supervisor: \_\_\_\_\_ PhD Viacheslav VORONENKO

The assignment is accepted for completion: 06.05.2024. \_\_\_\_\_  
Student signature

## **Notes:**

1. This assignment constitutes a crucial component of the qualification work required for attaining an educational degree and is positioned immediately following its title page.
2. Upon task completion, students are expected to acquaint themselves with the following:
  - A calendar schedule delineates the qualification work's preparation stages, including specified deadlines for each stage's implementation.
  - The procedural guidelines for assessing the qualification work to identify any indications of academic plagiarism.
  - The criteria and requirements governing the evaluation of the qualification work provide a clear understanding of the expectations and standards to be met.

## ANNOTATION

Master's thesis comprises 41 pages, 3 chapters, 10 formulas, 1 table, 9 figures and a list of 40 references.

**The topic's relevance** is that investigating the influence of digital transformation on business management is imperative, as it unveils critical insights into organisational adaptability, technological integration, and strategic evolution in the contemporary business landscape.

**This research aims** to comprehensively analyse the impact of digital transformation on business management within business administration, exploring its implications on organisational efficiency, strategic decision-making, and overall competitiveness in the dynamic landscape of modern enterprises.

**The research objectives** are to analyse the impact of digital transformation on organisational processes, agility and adaptability and examine the strategic alignment of business with overall organisational goals.

**The object** of research is the business management of enterprises. **The research subject** is theoretical and methodical based on the influence of digital transformation on management.

**Research methods** include literature review, analysis and synthesis, modelling, and financial and economic analysis.

**The scientific novelty** of the thesis is that it provides valuable insights that can inform academic discourse and practical decision-making in contemporary business environments.

**The practical significance** of the research is to form recommendations, enhancing the ability of organisations to leverage digital transformation for the optimal management of business in today's dynamic business environment.

**The level of scientific approval** in the form of scientific publications on the topic of the work, the master's student's participation in conferences:

1. Sotnyk I., Voronenko V., Maslii M., Nikulina M., Xing Lu. How digital transformation of the economy can improve employment in Ukraine. Kyiv Economic Scientific Journal. 2023. № 1. P. 76-85. <https://doi.org/10.32782/2786-765X/2023-1-10>

2. Temchenko E., Xing Lu. The essentiality of informational economy // Economics for Ecology : Proceedings of the International Scientific and Practical Conference, Sumy, May 16–19, 2023 / edited by Karintseva Oleksandra and Kubatko Oleksandr. Sumy : Sumy State University, 2023. P. 75-76. <https://essuir.sumdu.edu.ua/handle/123456789/93280>

The thesis consists of three chapters.

**KEYWORDS:** digital transformation, business, profitability, business administration, organisational efficiency, strategic management, technology integration.

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## INTRODUCTION

The chosen master's thesis topic, exploring the influence of digital transformation on business and management, holds paramount relevance in the contemporary business environment. Firstly, it addresses the pervasive nature of digital transformation, acknowledging its impact across diverse industries and sectors. This research is timely as organisations increasingly recognise the strategic importance of aligning digital initiatives with efficient business process management for sustained success. Furthermore, it delves into the competitive advantage that arises from a thorough understanding of how digital transformation reshapes operational frameworks, allowing businesses to optimise processes and stay ahead in the digital era. The study is also crucial in highlighting the transformative role of technology in fostering innovation, agility, and adaptability within organisations. As businesses strive to meet evolving customer expectations, the thesis explores how digital transformation contributes to a customer-centric focus by influencing the design and execution of business. Lastly, the research has broader implications, contributing valuable insights to academic discourse and practical decision-making, fostering a comprehensive understanding of the intricate relationship between digital transformation and business process management.

This research aims to comprehensively analyse the impact of digital transformation on business management within business administration, exploring its implications on organisational efficiency, strategic decision-making, and overall competitiveness in the dynamic landscape of modern enterprises.

The research objectives are to analyse the impact of digital transformation on organisational processes, agility and adaptability and examine the strategic alignment of business with overall organisational goals.

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Research methods include literature review, analysis and synthesis, modelling, and financial and economic analysis.

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The thesis consists of three chapters: theoretical aspects of the influence of digital transformation on the management of business; methodical aspects of the impact of digital transformation on the management of business; improving business management through digital transformation.

# 1 CHAPTER ONE. THEORETICAL ASPECTS OF THE INFLUENCE OF DIGITAL TRANSFORMATION ON MANAGEMENT OF BUSINESS

## 1.1 Statement of the problems of the management of business and the role of digital transformation in it

In the contemporary business landscape, the pervasive impact of digital transformation has redefined how organisations operate and manage their processes. Advanced technologies have revolutionised business, posing unprecedented opportunities and formidable challenges to traditional management paradigms. As digital transformation accelerates, critically examining its influence on business process management becomes paramount to understanding and addressing emerging issues.

Figure 1 illustrates the recurring words in the titles and author keywords of the examined articles, highlighting thematic focuses in these works. Specifically, Figure 1 (I) showcases high-frequency words in the titles, while Figure 1 (II) presents the most popular keywords. Combining (I) and (II), it can be inferred that "dynamic capabilities," "business model," "value creation," "big data," "industry" and "change management" emerge as the predominant themes in the chosen research articles related to digital transformation in the fields of business and management [28].

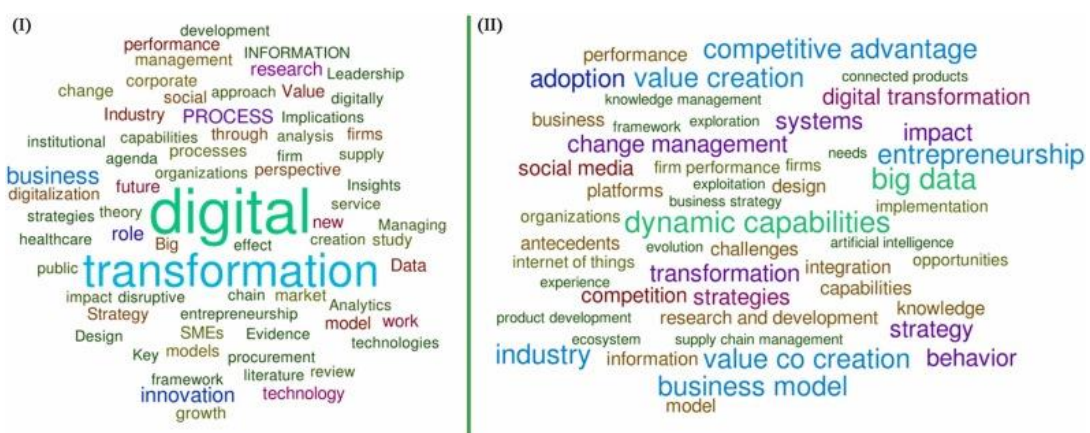


Figure 1. Papers related to digital transformation in business and management: (I) word cloud of the titles; (II) word cloud of the keywords [28]



Kraus et al. constructed a network diagram by analysing co-occurring words among keywords related to digital transformation in business and management domains in research papers. Keywords with a minimum of two co-occurrences were considered. Seven distinct clusters were identified through cluster analysis, revealing closely associated keywords. Each cluster was assigned a unique colour to represent the themes encapsulated by the co-occurring words. Figure 2 visually represents this keyword network derived from the co-occurrence matrix, emphasising the seven thematic clusters identified [28].

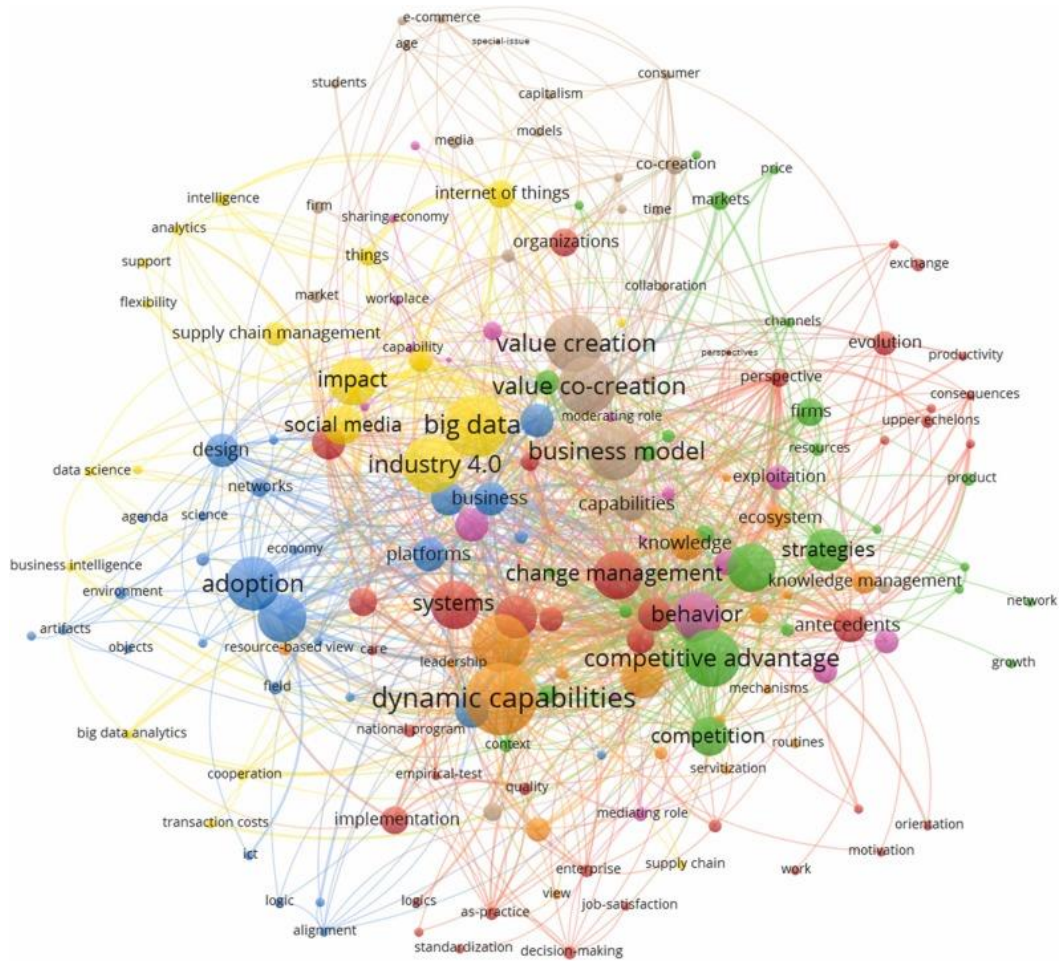


Figure 2. The network of bibliographic coupling of papers related to digital transformation in the fields of business and management [28]

Digital technologies are currently applied in business, but the advent of Industry 4.0 is poised to revolutionise production. This transformation is anticipated to bring about heightened efficiencies and reshape the conventional business dynamics among

suppliers, producers, and customers. Additionally, it will redefine the interaction between humans and machines, as illustrated in Figure 3.

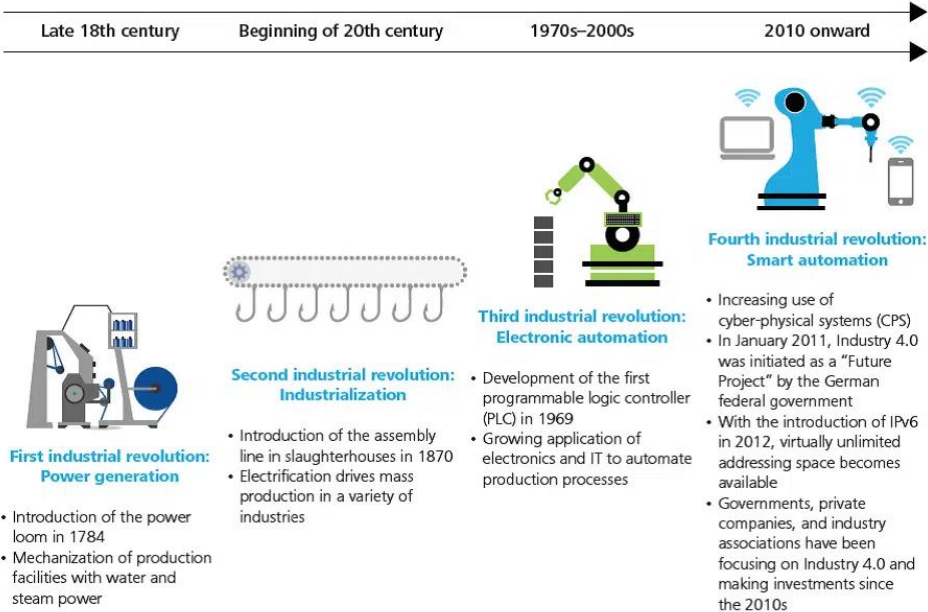


Figure 3. A Line of Industrial Revolutions [1-3]

The seamless integration of digital technologies into organisational processes necessitates thoroughly exploring the challenges in this transformative journey. This study focuses on unravelling the complexities inherent in the intersection of digital transformation and business management. From technological disruptions to organisational restructuring, the multifaceted nature of this influence requires a nuanced analysis to comprehend its intricate dynamics. The dynamic nature of digital transformation introduces a constant state of evolution, demanding a proactive approach to anticipate and mitigate potential problems. Implementing cutting-edge technologies with the continuity of established business processes is a central concern for organisations navigating this transformative landscape. Data governance, security, and privacy issues emerge as critical obstacles in optimising business processes through digital means. The need for a skilled workforce capable of navigating the complexities of digital tools adds a layer of complexity to the management of business in the digital era.

Organisations must grapple with fostering a culture of innovation while ensuring the stability and reliability of core business operations. As the digitalisation of

business unfolds, ethical considerations surrounding the use of data and emerging technologies come to the forefront of management concerns. The intersection of digital transformation and business management requires strategic foresight to harness the potential benefits while mitigating the risks of rapid technological change.

The interconnected nature of business units and processes necessitates an integrated approach to digital transformation to prevent silos and enhance overall organisational efficiency. This research endeavours to shed light on the intricate problems arising from digital transformation's influence on business management, offering valuable insights for organisations navigating this complex terrain. The magnitude of digital transformation extends beyond technology, demanding a recalibration of organisational structures and hierarchies to accommodate the evolving landscape. Integrating artificial intelligence and machine learning introduces a level of automation that reshapes how tasks are performed, and processes are conceptualised and executed. Amid the quest for digital innovation, organisations confront the challenge of ensuring the ethical use of technologies and maintaining transparency in decision-making processes. The real-time nature of data analytics introduces a newfound urgency in decision-making, requiring agile frameworks for business that can adapt to rapid changes in information. The emergence of digital ecosystems further complicates business process management, as organisations must navigate partnerships, collaborations, and dependencies in an interconnected global network. Cybersecurity vulnerabilities become an ever-present concern as digital transformation opens new avenues for potential threats, demanding robust measures to safeguard sensitive information.

The evolution of customer expectations in the digital age places added pressure on organisations to align their business with the demands of a more informed and connected clientele. The transition to cloud-based platforms introduces scalability benefits but poses challenges related to data migration, interoperability, and ensuring uninterrupted service delivery. Striking a balance between innovation and regulatory

compliance becomes a delicate task as organisations must navigate evolving legal frameworks that govern digital technologies.

The democratisation of data and decision-making introduces a shift in organisational power dynamics, necessitating reevaluating leadership structures and decision hierarchies. Employee resistance to change emerges as a significant hurdle, requiring thoughtful change management strategies to foster a culture of adaptability and continuous learning. The blurring of traditional industry boundaries brought about by digital transformation introduces new competitors and disruptors, challenging established business models.

**1.2 Literature review of the influence of digital transformation on management**

Digital transformation has dramatically affected people, businesses, and systems in recent years [11-12]. Digital transformation has emerged as a pervasive force reshaping the landscape of contemporary companies across industries. As organisations strive to stay competitive and relevant, they increasingly adopt digital technologies to revolutionise their operations, including managing business. This literature review explores the multifaceted impact of digital transformation on managing business, examining key themes such as automation, agility, innovation, and organisational change. Figure 4 illustrates six transformative strategies identified in the digital transformation of management [3].

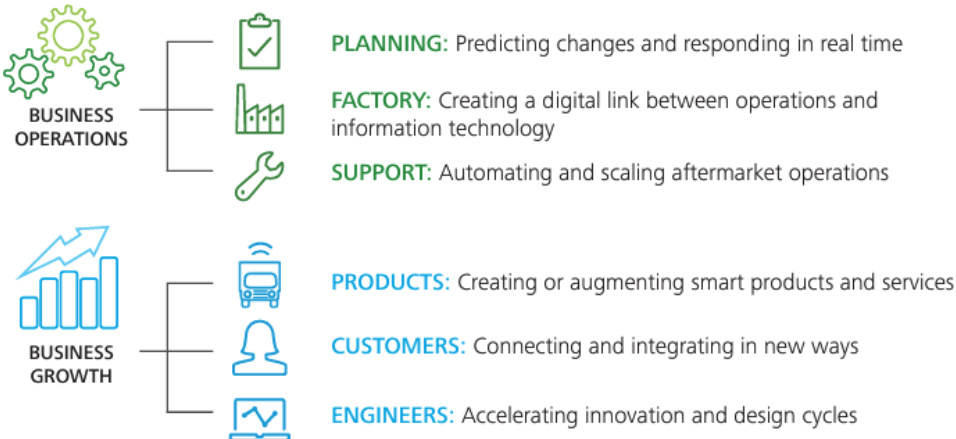


Figure 4. Digital transformation of management [3]

Ekman et al. considered that the digital transformation process is notably shaped by internal embeddedness, encompassing the relationships between headquarters and subsidiaries and interactions among subsidiaries. External embeddedness, reflecting the relationships between subsidiaries and their local markets, and considerations related to strategy, finance, and technology further contribute to this influence. Acknowledging the distinct perspectives of headquarters and subsidiaries, a comprehensive understanding of these influences is instrumental for guiding both entities through the complexities of digital transformation [4].

Ivančić et al. considered that owing to its distinctive attributes and ease of access, the emphasis on incorporating digital technology extends beyond the mere enhancement of internal operations. The primary goal is to broaden internal dimensions, engage with customers and external partners, impact services, streamline processes, disrupt markets, and transform entire industries. They asserted that, beyond adopting technology, pivotal elements for achieving successful digital transformation include the organisation's adaptability to change and its operational excellence in seamlessly integrating external digital services with internal IT support [5].

Kirchmer considered that the governance of processes should undergo digital transformation, using suitable tools like process mining, dynamic process modelling, and simulation tools. The outcome is digital process governance, a crucial cornerstone for the triumph of a successful digital transformation [6].

Fischer et al. wrote that digital transformation is prevalent in practical and scientific discussions. However, numerous companies need a clear strategy for its implementation. Small- and medium-sized enterprises face challenges initiating their digital journey due to resource constraints and a shortage of expertise [7].

Butt wrote that the influence of Industry 4.0 enabling technologies in the manufacturing sector is indisputable, with their proper utilisation providing advantages like enhanced productivity and asset performance, decreased inefficiencies, reduced production and maintenance costs, and increased system

agility and flexibility. Nonetheless, organisations encounter significant challenges in navigating the path towards digital transformation. These hurdles include the absence of standardised implementation protocols, a focus on introducing new technologies without evaluating their business role, the isolation of digital initiatives from the broader business context, and the extensive implementation of digitalisation without a pragmatic consideration of return on investment [8].

Stjepić et al. considered that digital transformation involves the development of new and innovative business models or the modification and enhancement of existing ones through the integration of digital technologies, an inquiry naturally arises about the role that business process management plays in this transformative process. The findings affirm the crucial significance of business process management in digital transformation [9].

Paschek et al. wrote that during digital transformation, where internal and external conditions evolve rapidly, and customer expectations demand swift delivery and top-notch product quality, companies should optimise their internal processes for maximum efficiency. Leveraging machine learning and artificial intelligence to optimise and manage processes will assist companies in determining the most suitable tool for automated Business Process Management [10].

Bresciani et al. highlight that knowledge management capabilities enhance alliance ambidexterity indirectly through firms' information and communication technologies capabilities, suggesting that multinational enterprise managers should design knowledge management tools and develop new information and communication technologies skills [13]. Ferreira et al. show that entrepreneurs' and managers' profiles and these leaders' adoption of new digital processes contribute to these companies' greater competitiveness [14].

In the age of rapidly advancing digitisation and sophisticated big data analytics, utilising high-quality data to design and deliver cutting-edge services will empower innovative business models and management strategies [15].

Baiyere et al. highlight the difficulty of relaxing the control of business and technology infrastructures, which required flexibility and the creation of new

processes. They advance four principles of agility during digital transformation - mindfulness, light touch routines, flexible infrastructure, and ambidextrous organisation [16].

Grab et al. uncovered that digital transformation is a global phenomenon, yet its regional impact varies significantly based on the regulatory landscape and economic sophistication. Essentially, the disruptive nature of this trend can challenge the fundamentals of industries, necessitating firms to fundamentally alter their strategic management approach. The introduction of the digital transformation strategy framework seeks to tackle these challenges and encourages further research in this domain [17].

Figure 5 encapsulates the dual facets of the situation, depicting the upper part that emphasises modest changes linked to supply and demand and the lower part that highlights the more disruptive developments unleashed by the latest wave of digital transformation [18].

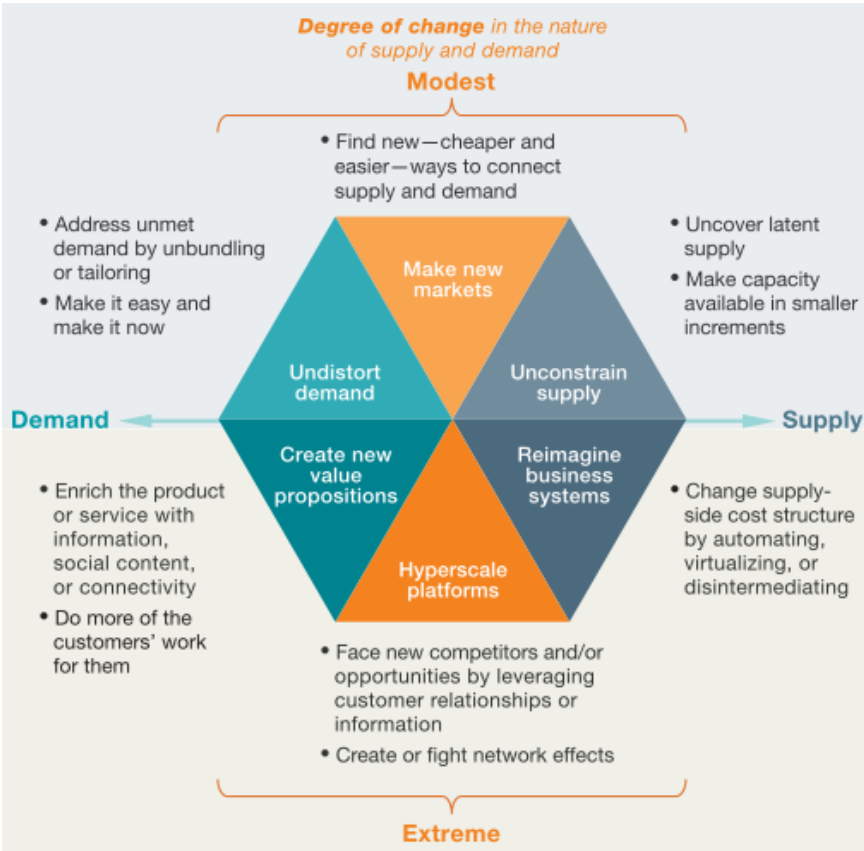


Figure 5. Digital transformation overview [18]



Schwertner revealed that matured digital enterprises prioritise the integration of digital technologies, including social, mobile, big data, and cloud, to transform the operational dynamics of businesses. The capacity to digitally reimagine the business is heavily influenced by a well-defined digital strategy supported by leaders who cultivate a culture capable of embracing change and fostering innovation [19].

Kozarkiewicz accepted that not only does the digital economy greatly impact the technologies used, but it also affects the transition of strategies, business models, structures, or competencies [20].

Ko et al. revealed that the digital innovations are strongly determined by business, management commitment and, to a far lesser extent, by strategy. In the case of digital transformation, the role of IT departments and the services they provide are less relevant. Digital technologies exert a pervasive influence and disrupt virtually every industry, reshaping economies worldwide through the evolution of information and communication technology. While decisive factors in digital transformations are extensively researched, a consensus remains elusive [21].

Yasinska considered that the implementation of the digital transformation of a business model is characterised by the possibility of occurring in stages, focusing on individual elements or components. Utilising a system-oriented approach to management is deemed sensible, as it centres on comprehending the management object as a cohesive whole, acknowledging the necessity for internal and external communication links. This approach employs interconnected management methods and tools across the enterprise and its structural units [22]. Figure 6 seeks to isolate and amalgamate the most imminent elements of digital strategy formulation. The objective is to organise the discussion on the topic using an integrated framework [17, 23].

Strutynska et al. wrote that in a fiercely competitive information economy, business structures need a continuous infusion of innovation and effective information technology to secure sustainable long-term market advantages and ensure rational functionality. Implementing the digital business model is a promising avenue, enabling enterprises to conduct their activities more productively. This model



empowers businesses to respond more effectively to the needs of potential buyers and customers, facilitating the adaptation and optimisation of business processes over a specified period to align with prevailing market conditions [24].

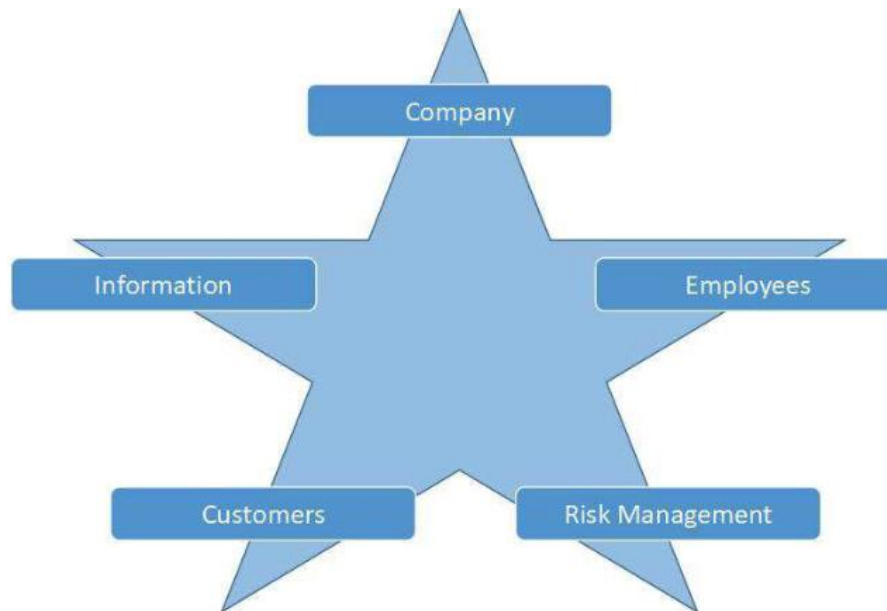


Figure 6. Digital transformation strategy [17]

Al-Edenat revealed that it falls on decision-makers to steer their organisations towards digitalisation, equipping them with the necessary capabilities to compete and thrive in the challenging environment. Essential to this endeavour is an emphasis on enhancing process innovation and advancing towards greater adoption of Industry 4.0. It's crucial to view disruptive change not as an obstacle but as a motivator for organisations [25].

Szelągowski and Berniak-Woźny wrote that the impact of hyper-automation and the increasing pace of change requires integrating maturity assessment with the business process management implementation methodology, including the repetition of maturity assessment for selected groups of processes. This causes an urgent need to adapt both process maturity assessment methods and business process management maturity models to changing working conditions and business requirements [26].

Stoiber and Schönig revealed that businesses across various industrial sectors progressively incorporate Internet of Things technology into their operations to achieve a data-driven transformation. The real-time generation and utilisation of

extensive process data, coupled with the interconnection of process entities, facilitate the enhancement and advantageous redesign of diverse business processes. Nevertheless, effectively leveraging the Internet of Things technology for digital transformation and Business Process Improvements poses a challenge due to the intricacies of integrating the Internet of Things into existing processes. Companies need suitable guidance to assess and define the scope of their initiatives related to the Internet of Things Business Process Improvements [27].

Existing reviews share a commonality in their predominant concentration on highly specific realms within business and management, showcasing a notably narrow perspective. Furthermore, these reviews have yet to delineate the evolution of the term digital transformation in business and management contexts [28]. Thorough examinations of digital transformation are generally still in their nascent phases [29], and studies in this domain often exhibit an excessively optimistic stance [30]. The focus is on urging business and management to acknowledge the significance of these domains in the context of digital transformation [31-32].

Kraus et al. [28] provided an overview of the progression in the number of articles and citations related to digital transformation research in business and management since 2010 (Figure 7). The average publication year was 2019. Figure 7 also suggests that papers published before 2017 can be considered precursors, establishing the groundwork for the research domain. Notably, the surge in interest in digital transformation research in these areas commenced primarily in the last decade, particularly around 2016. Additionally, Figure 8 illustrates a significant uptick in momentum since 2019, with approximately 81.0% of all articles published (29.0% in 2019 and 52.0% in 2020) [28].

Kraus et al. [28] created a figure to offer a consolidated perspective on current research regarding digital transformation in business and management (Figure 8). It aims to synthesise the insights from the literature on digital transformation concerning business and management [28].

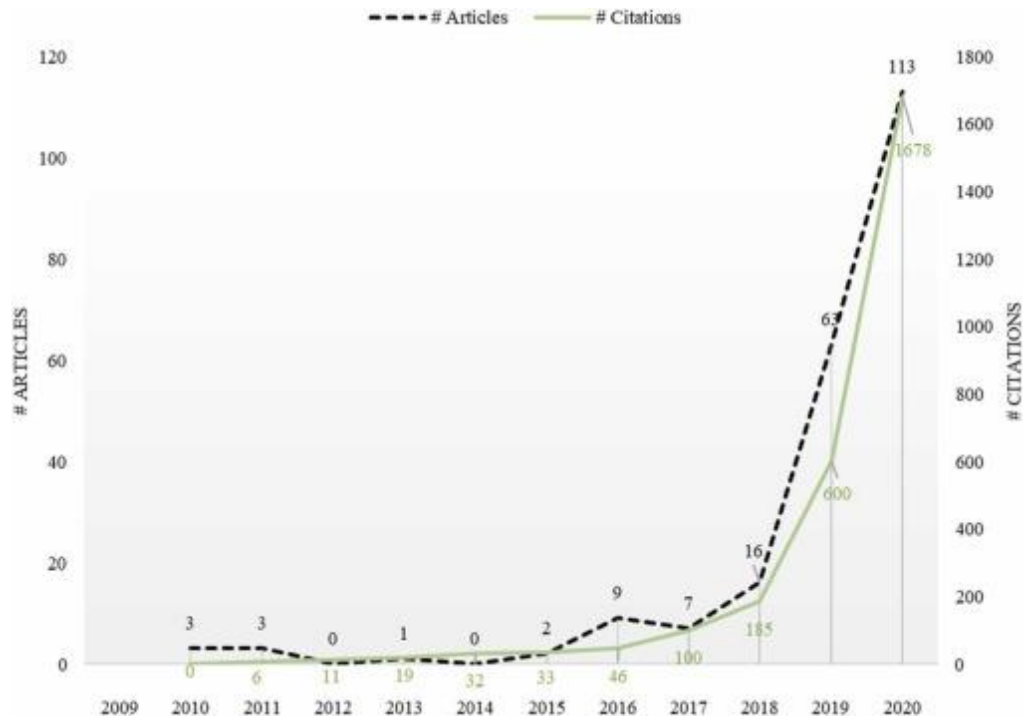


Figure 7. Amount of papers published and citations related to digital transformation research in business and management since 2010 [28]

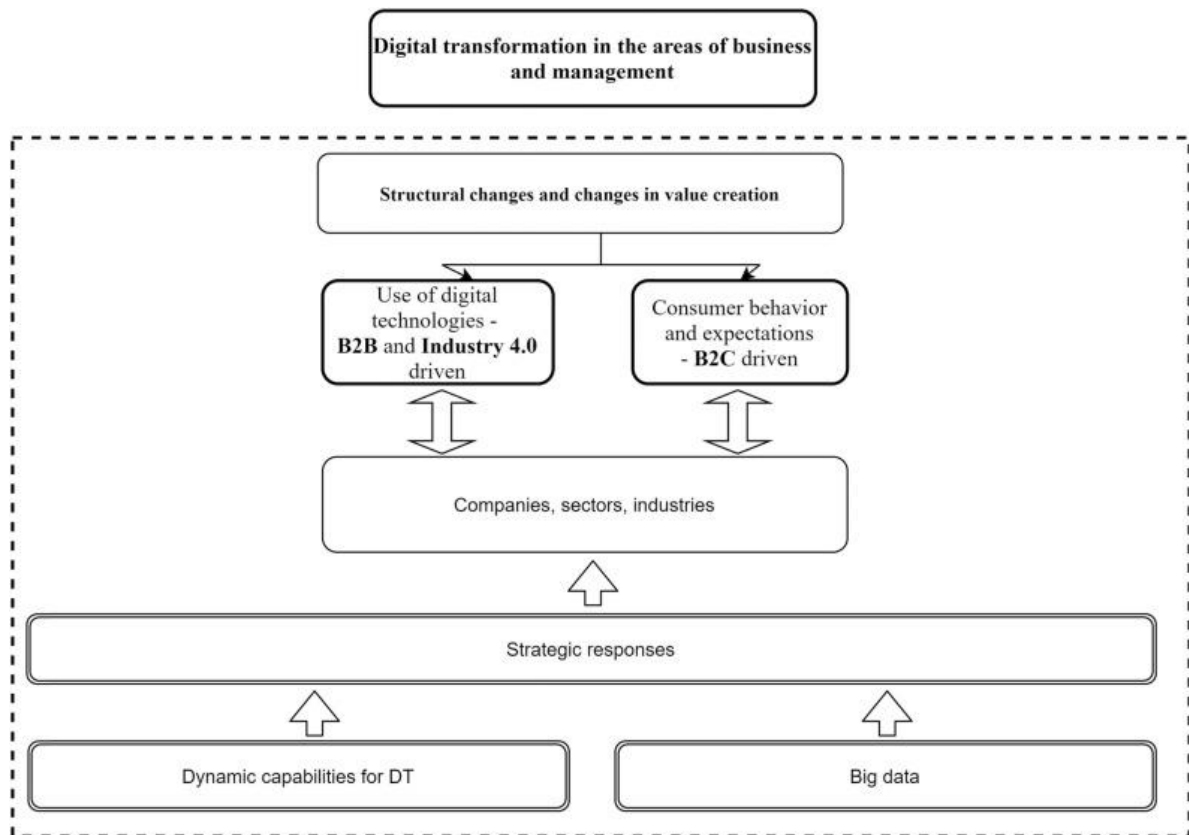


Figure 8. The framework of digital transformation (DT) to the business and management [28]

Figure 8 shows that research on digital transformation in business and management is propelled by an internal perspective, such as a resource-based view, and an external perspective, which involves structural change and a shift in how value is or can be generated. In the former, existing research explores the role of strategy, dynamic capabilities, and the utilisation of big data, particularly in effectively navigating digital transformation within companies. Concerning the latter aspect, substantial work has delved into various inquiries regarding structural change and its ramifications at different levels. Considering the potential impacts of digital transformation on companies, it is unsurprising that many published contributions address alternative or new forms of value creation [28].

The literature is limited to specific domains of digital transformation research in business and management [33-34]. On a higher level, there is a need for broader perspectives regarding the study of digital transformation [35-36].

The literature review synthesises a wealth of research on the influence of digital transformation on business management. As organisations strive to navigate the complexities of the digital age, understanding the nuances and leveraging insights from scholarly works is essential for informed decision-making and sustainable operational excellence. As we can see from the literature review, there is also a need for more research that studies digital transformation and its influence on different business management types.

## **2 CHAPTER TWO. METHODOLOGICAL ASPECTS OF THE IMPACT OF DIGITAL TRANSFORMATION ON THE MANAGEMENT OF BUSINESS**

### **2.1 General information about the object and methodical aspects of analysis**

The growth of “EPAM SYSTEMS” LLC as an information technologies (IT) enterprise, apart from reductions, was not hindered by the COVID-19 pandemic. Looking at their financial statements, the management could raise business results based on stable profitability. The enterprise actively implements digital transformation. This combination is quite interesting. This is why “EPAM SYSTEMS” LLC is considered in the thesis.

“EPAM SYSTEMS” LLC is one of the branches of the USA IT company with the corresponding name "EPAM SYSTEMS". In total, the company has offices in about fifty countries. “EPAM SYSTEMS” LLC operates globally with delivery centres and offices in various countries, including the USA, Ukraine, Hungary, Poland, the UK, Germany, Sweden, Switzerland, and many more. The parent company's headquarters is in Newtown, USA, and several offices are in Ukraine. “EPAM SYSTEMS” LLC has many offices in different cities [37].

“EPAM SYSTEMS” LLC provides a broad range of services, including commercial software product development, digital platform engineering, and digital and product design. The company focuses on helping clients innovate and bring their digital transformation strategies to life. "EPAM SYSTEMS" LLC is engaged in qualified consulting services and releases self-developed products related to neural networks and machine learning technologies to the information technology market. Among the projects that came out of their hands are "Infogen7.0", "Telescope AI", and "EPAM Solutions Hub" - a library of software products, accelerators and OpenSource solutions. Also among their developments is the Open-Source Contributor Index, a tool for assessing the contribution of commercial companies to open-source products and solutions. “EPAM SYSTEMS” LLC serves clients in

various industries, including finance, healthcare, life sciences, retail, media, entertainment, travel, and technology.

The company is known for its software engineering, digital strategy, consulting, and design expertise. “EPAM SYSTEMS” LLC has artificial intelligence, cloud computing, blockchain, data science, and the Internet of Things (IoT) capabilities. “EPAM SYSTEMS” LLC collaborates with leading technology providers, including partnerships with companies like Microsoft, Google Cloud, AWS, Adobe, and Salesforce.

“EPAM SYSTEMS” LLC has received industry recognition for its performance and capabilities. It is often among the top global service providers in various technology and outsourcing assessments. “EPAM SYSTEMS” LLC has innovation labs and research and development centres that focus on emerging technologies and trends to stay at the forefront of the industry.

So, “EPAM SYSTEMS” LLC influences digital transformation in managing business. This company, on the one hand, influences digital transformation; on the other hand, this company is affected by digital transformation.

The parent American and the subsidiary Ukrainian companies represent quite successful projects with high profitability. So, for example, according to statistics, “EPAM SYSTEMS” LLC is the largest IT company in Ukraine - if the DOU IT community is to be believed, its staff includes about ten thousand employees [38]. Although last year, the company faced mass reductions and even scandals due to layoffs [39], this did not prevent it from remaining firmly at the top of the rating.

An analysis of financial and economic results can be made to establish the influence of digital transformation on business management:

1. Financial analysis. It is used to numerically determine the enterprise's financial state by analysing financial reports and finding vital financial indicators.
2. Economic analysis. The interaction of the enterprise with the economic environment and the influence of economic factors on financial results are determined.

In this work, the financial and economic analysis method will be used to establish the influence of digital transformation on business management, so detailed information will be provided below. For its implementation, it is necessary to specify several vital indicators in the work. Below is a list of indicators.

1. Profitability. This section includes net income and return on assets. The first represents the net profit after taxation for a certain period. The second is the ratio of net profit to total assets.

2. Liquidity. It includes the ratio of current liquidity (the ratio of current assets to current liabilities) and the ratio of quick liquidity (the ratio of the company's quick liquid assets to its current liabilities).

3. Financial stability - an indicator already indicated in this work as one of the key ones. It refers exclusively to the coefficient of financial stability: the ratio of equity to the total liabilities of the enterprise.

4. Activity and turnover are also important indicators for understanding asset direction. It includes the turnover of assets (the ratio of gross income to the average annual value of assets) and the turnover of inventories and receivables (the ratio of gross income to the average yearly value of inventories and receivables).

5. Efficiency of capital use. This indicator is related to profitability: equity and assets. Accordingly, the first indicator is the ratio of net profit to equity, and the second is the ratio of net profit to total assets.

6. Solvency is an indicator of the responsibility of the company's managers and is presented in the format of two ratios - own turnover and interest coverage. The equity turnover ratio is the gross income ratio to the average annual cost of equity capital. The interest coverage ratio, in turn, is the ratio of net profit to interest liabilities.

To conduct such financial and economic analysis, access to the company's financial statements for different periods (preferably several years) is required, enabling a comparative study of all indicators. The financial analysis was chosen by looking at the data sample because the financial report from the company "EPAM SYSTEMS" LLC gives us the necessary indicators.

The financial and economic results of the enterprise are primarily determined by a complex of factors covering various aspects of activity. It is necessary to consider in more detail the key markers that affect the financial results of the enterprise:

1. Business management.

Factor: Effective use of human, financial and technical resources.

Impact: Effective resource management will positively impact project cost and overall profitability.

2. Digital transformation.

Factor: Implementation of the latest technologies and innovations.

Impact: The ability to adapt to new technologies can improve service quality and competitiveness.

3. Strategic management.

Factor: Quality of strategic management and leadership qualities of management.

Impact: Strong strategic leadership can determine a company's success and ability to respond to environmental changes.

4. Scope of activity.

Factor: Number and scope of projects and consultations.

Impact: Increased workload and order growth can increase profitability and asset turnover. A decrease is the opposite.

5. Competition on the market.

Factor: The industry's competition level and ability to attract and retain customers.

Impact: Decreases/increases in competitiveness may affect prices and volumes of work, which may affect profitability.

6. Global economic situation.

Factor: Economic conditions and fluctuations in global market conditions.

Impact: Economic changes may affect the demand for services and cause fluctuations in financial results.



Understanding and managing these factors allows the enterprise to adapt to environmental changes, optimise its activities and maximise financial results. Considering these factors in the context of analysis of the influence of digital transformation on business management can provide more accurate and competent conclusions about the enterprise's condition.

**2.2 The financial and economic analysis and its link with digital transformation**

Information from published financial statements on the “EPAM SYSTEMS” LLC website for 2021-2022 and management reports for the same period were used for calculations [40]. Table 1 contains the financial statements of “EPAM SYSTEMS” LLC.

Below are the calculations for analysing the enterprise's financial results using the economic analysis method. It is guided by the reporting provided by “EPAM SYSTEMS” LLC.

First, in the analysis, is the company's profitability. Below are calculations for profitability indicators.

Return on equity. The formula calculates it:

$$(Net\ profit / Equity) * 100 \% \tag{1}$$

- 2021 year:  $(1198502/9101233) * 100\% \approx 13\%$
- 2022 year:  $(3443159/9101233) * 100\% \approx 38\%$

Return on assets. The formula calculates it:

$$(Net\ profit / Total\ assets) * 100 \% \tag{2}$$

- 2021 year:  $(1198502 / 7308982) * 100\% \approx 16\%$
- 2022 year:  $(3443159 / 10555410) * 100\% \approx 33\%$

Table 1. Balance (financial statement in UAH). Form № 1 [40]

<b>ASSETS</b>	<i>Line code</i>	2021 year	2022 year
1. Non-current assets			
Intangible assets	1,000	39,808	1 611
Initial value	1 001	212,614	215 117
Accumulated depreciation	1 002	172,806	213,506
Unfinished construction	1 005	1,386,101	1,392,347
Fixed assets	1 010	1,022,633	627,828
Initial value	1 011	3,201,311	2,824,662
Amortization	1 012	2,178,678	2,196,834
Deferred tax assets	1,045	38,493	31,295
All according to chapter 1	1,095	2,487,035	2,053,081
2. Current assets			
Reserves	1 100	57,780	35,708
Inventories	1 101	57,780	35,708
Accounts receivable for products, goods, works, services	1 125		
Accounts receivable according to calculations: For issued advances	1 130	27,075	68 183
with a budget	1 135	62	2
Accounts receivable according to internal calculations	1 145	3,989,693	6,567,218
Other current receivables	1 155	1 318	304 433
Cash and cash equivalents	1 165	745 386	1,526,140
Bank accounts	1 167	745 386	1,526,140
Expenses of future periods	1 170	633	645
All according to section 2	1 195	4,821,947	8,502,329
3. Non-current assets held for sale and disposal groups	1,200		
Balance	1,300	7,308,982	10,555,410
<b>PASSIVE</b>			
1. Equity/Registered (equity) capital	1,400	86,132	86,132
Additional capital	1,410	1,626	1,614
Retained earnings (uncovered loss)	1,420	5,614,201	9,057,360
All according to chapter 1	1,495	5,701,959	9,145,106
2			
Long-term obligations and security			
Other long-term liabilities	1,515	247,827	242,718
All according to section 2	1,595	247,827	242,718
3			
Current liabilities and provisions			
Current accounts payable for:			
goods, works, services	1,615	962,378	880,154
calculations with the budget	1,620	109,281	55,687
including income tax	1,621	108,528	54,642
insurance calculations	1,625	1,303	1,442
payroll calculations	1,630	6,750	8,437
Current provisions	1,660	27,824	25,295
Other current commitments	1,690	251,660	196,571
All according to section 3	1,695	1,359,196	1,167,586
4. Liabilities related to non-current assets held for sale and disposal groups	1,700		
Balance	1,900	7,308,982	10,555,410

Looking at the profitability indicators that were received, the company shows a significant increase in profitability, and this is due to both internal reserves and an increase in equity. The influence of digital transformation on business management is positive.

Second, in analysis, such an indicator as liquidity is a marker of whether the company can fulfil short-term obligations at the expense of its current assets. This demonstrates the competent distribution of some parts of resources. Below are calculations for liquidity indicators.

Current liquidity ratio. The formula calculates it:

$$\text{Working capital} / \text{Short-term liabilities} \quad (3)$$

- 2021 year:  $7308982 / 1359196 \approx 5.37$
- 2022 year:  $10555410 / 1167586 \approx 9.04$

Quick liquidity ratio. The formula calculates it:

$$(\text{Current assets} - \text{Inventories}) / \text{Current liabilities} \quad (4)$$

- 2021 year:  $(4821947 - 57780) / 1359196 \approx 3.5$
- 2022 year:  $(8502329 - 35708) / 167586 \approx 7.25$

The company has a comfortable and high liquidity reserve, which indicates its ability to settle current obligations on time and without unnecessary costs. The influence of digital transformation on business management is positive.

Next, one of the critical stability indicators is financial stability, demonstrating the state of the company's accounts and its constant solvency. The coefficient of financial stability is calculated according to the formula:

$$\text{Equity} / \text{Total liabilities} \quad (5)$$

- 2021 year:  $5701959 / 1607023 \approx 7$
- 2022 year:  $9145106 / 1410304 \approx 6.5$

The indicator of the coefficient of financial stability is also relatively high in value. This shows that the company can quickly repay its obligations.

Next, the turnover of assets of the enterprise is an essential indicator. It is calculated according to the formula:

$$\text{Revenue from sales of products} / \text{Average value of assets} \quad (6)$$

- 2021 year:  $14701899 / 5102714 \approx 2.9$
- 2022 year:  $20212715 / 9101233 \approx 2.2$

As we can see, asset turnover remains stable, which may indicate efficient use of resources. This statement is related to the next point of the analysis.

The efficiency of capital use indicates the maximum return of the enterprise depending on the increase in the profit from capital.

We are interested in two percentage values separately - the profitability of the company's equity capital and the profitability of its assets. The formula calculates return on equity:

$$(\text{Net profit} / \text{Equity}) * 100\% \quad (7)$$

- 2021 year:  $(1198502 / 5701959) * 100\% \approx 21\%$
- 2022 year:  $(3443159 / 9101233) * 100\% \approx 38\%$

Return on assets:

$$(\text{Net profit} / \text{Average value of assets}) * 100\% \quad (8)$$

- 2021 year:  $(1198502 / 5102714) * 100\% \approx 23\%$
- 2022 year:  $(3443159 / 9101233) * 100\% \approx 38\%$

The percentages are high, especially for the period after the devastating global economy of the COVID-19 epidemic. It can be concluded that the company effectively uses its capital to generate profit.

It is also worth paying attention to the solvency indicators, which directly demonstrate another direction of the enterprise's use of capital.

Coefficient of own turnover. It is calculated according to the formula:

$$\text{Net income} / \text{Average value of assets} \quad (9)$$

- 2021 year:  $14701899 / 5102714 \approx 2.9$
- 2022 year:  $20212715 / 9101233 \approx 2.2$

Interest coverage ratio:

$$\text{Net Income} / \text{Interest Payable} \quad (10)$$

- 2021 year:  $14701899 / 263158 \approx 55$
- 2022 year:  $20212715 / 756906 \approx 26.8$

The “EPAM SYSTEMS” LLC has a high turnover rate, indicating its ability to solve financial obligations. Based on the results of the analysis, it could be made some statements:

- Even though in 2021, the company went through a crisis period and got rid of many employees, in 2022, there is a trend of rapid growth and improvement.
- It has high liquidity, which indicates the ability to meet its short-term obligations and pay taxes stably.
- There is a high short- and long-term profitability, making it an attractive investment.
- Also, attractiveness for investment activities increases with the indicator of financial stability because one of the most attractive indicators for most people is stability.

In "EPAM SYSTEMS" LLC financial statements, expenses are not high, income is stable, and liabilities are few. With such rapid growth and significant turnover of funds, the only thing that can be advised is to increase the number of long-term investments, which were almost absent in the financial report. This will help increase stable profits and allow the enterprise to go for new improvements and technological solutions, including helping to return lost personnel employees.

The financial and economic analysis of the activity of “EPAM SYSTEMS” LLC for 2021-2022 showed the following:

*Profitability.* The company has shown a significant increase in net profit, which indicates effective management and the ability to generate profit with the growth of activity volumes.

*Liquidity.* Relatively high current and quick liquidity ratios indicate adequate working capital and cash management, which are essential for the enterprise's financial stability.

*Financial stability.* The coefficient of financial stability of the enterprise remains stable, which indicates "“EPAM SYSTEMS” LLC’s ability to cope with financial obligations and ensure stability of operations.

*Activity and turnover.* The stability of the turnover of the company's assets indicates the effective use of its resources to generate revenue.

*Capital utilisation efficiency.* A high return on equity and assets indicates effective use of internal resources to maximise profits.

The “EPAM SYSTEMS” LLC company demonstrates a stable financial and economic position and a tendency towards gradual growth in various economic activities. The financial and economic results analysis showed positive changes in revenues, costs, and profits due to the implementation of digital transformation. There was an increase in sales volume through online channels and a decrease in operational costs thanks to the digital transformation of processes.

Data analysis revealed productivity improvements due to the impact of digital transformation. This is possible thanks to a reduction in the time of processing orders and the number of errors due to automated systems.

Digital transformation has changed the way businesses interact with customers and other stakeholders. Analysis of business model changes, such as using platforms for data exchange, positively impacted financial results. The impact of digital transformation has helped to gain advantages compared to other market participants.

## **3 CHAPTER THREE. IMPROVING BUSINESS MANAGEMENT THROUGH DIGITAL TRANSFORMATION**

### **3.1 The role of digital transformation in resolving problems in business management**

The need for cross-functional collaboration becomes paramount as digital transformation breaks down silos, demanding cohesive efforts across departments to optimise end-to-end business processes. The concept of the digital twin, mirroring physical processes in a virtual environment, introduces a new layer of complexity to business process management, requiring synchronisation and maintenance. Interoperability challenges arise as organisations incorporate diverse digital tools and platforms, necessitating seamless integration to ensure the fluidity of end-to-end business processes. The rise of edge computing brings forth decentralised data processing, offering advantages in speed and efficiency but demanding a reevaluation of data governance and security protocols. The constant evolution of digital technologies means organisations face the perpetual challenge of staying ahead of the curve, anticipating trends, and aligning strategies with emerging innovations. The impact of digital transformation extends beyond internal operations, influencing the dynamics of supply chains, customer relationships, and market ecosystems. While providing flexibility, multi-cloud strategies introduce governance challenges, requiring organisations to devise effective resource allocation and management strategies across various cloud environments. In general terms, there are two essential business priorities: the operation of the business and its expansion. These priorities encompass four fundamental business goals: enhancing productivity, minimising risks, generating incremental revenue, and exploring new revenue streams. Numerous sub-objectives can fit within these categories, as illustrated in Figure 9, outlining the tactical approaches managers can adopt to deliver value.



 <b>BUSINESS OPERATIONS</b>	Productivity improvements	<ul style="list-style-type: none"> <li>• Maximizing asset utilization and minimizing downtime</li> <li>• Driving direct and indirect labor efficiency</li> <li>• Managing supply network costs and synchronization</li> <li>• Ensuring schedule and plan stability and accuracy</li> </ul>
	Risk reduction	<ul style="list-style-type: none"> <li>• Ensuring raw material price and availability</li> <li>• Managing warranty and recalls effectively</li> <li>• Mitigating geographic risks</li> </ul>
 <b>BUSINESS GROWTH</b>	Incremental revenue	<ul style="list-style-type: none"> <li>• Finding sources of growth for the core business</li> <li>• Growing aftermarket revenue streams</li> <li>• Deepening customer understanding and insights</li> <li>• Strengthening customer integration and channels</li> </ul>
	New revenue	<ul style="list-style-type: none"> <li>• Creating new products and service offerings</li> <li>• Expanding internationally and in emerging markets</li> <li>• Identifying attractive M&amp;A opportunities</li> </ul>

Figure 9. Key business objectives [3]

On the other hand, the proliferation of data raises concerns about information overload, necessitating advanced analytics and artificial intelligence tools to derive meaningful insights from vast datasets. The globalisation facilitated by digital technologies adds a layer of complexity to business processes, requiring organisations to navigate diverse regulatory landscapes and cultural nuances. The ethical implications of algorithmic decision-making come to the forefront, demanding organisations to establish frameworks for responsible and unbiased use of AI in business.

The need for continuous monitoring and adaptation in the digital realm challenges traditional notions of strategic planning, requiring agile methodologies to navigate uncertainty and rapid change. The emergence of digital marketplaces and platforms disrupts traditional value chains, compelling organisations to rethink their positioning and strategies for reaching customers and partners. The role of cybersecurity expands to include not only protection but also resilience, as organisations must develop strategies to recover swiftly from potential cyber-attacks and data breaches.

The demand for personalised customer experiences introduces challenges in managing customer data ethically, ensuring privacy, and delivering tailored services



without compromising trust. Integrating Internet of Things (IoT) devices into business creates opportunities for real-time monitoring and optimisation but also introduces security vulnerabilities and data privacy concerns. Organisations must contend with the challenge of legacy systems and processes, finding a delicate balance between leveraging existing infrastructure and embracing the capabilities of emerging technologies.

The transition to a digital-first mindset requires a cultural shift within organisations, necessitating a commitment to continuous learning, adaptability, and a willingness to experiment with new approaches. As businesses become increasingly data-driven, organisations face the challenge of ensuring the quality and accuracy of data to make informed decisions and avoid potential pitfalls. The demand for agility in business clashes with the need for stability and reliability, prompting organisations to find a harmonious balance between innovation and operational excellence. Digital transformation introduces a need for dynamic skill sets, prompting organisations to invest in reskilling and upskilling initiatives to empower their workforce for the digital age. The intertwining of physical and digital realms in Industry 4.0 blurs traditional sector boundaries, demanding reevaluating business across manufacturing, services, and beyond. Accessibility and inclusivity considerations gain prominence as digital transformation unfolds, necessitating organisations to ensure that their digital processes cater to diverse user needs and demographics.

The reliance on algorithms for decision-making introduces the challenge of explainability, as organisations must strive for transparency in their automated processes to build trust with stakeholders. The concept of "business as usual" undergoes a paradigm shift, with organisations grappling with the need to redefine what constitutes normalcy in the context of rapidly evolving digital landscapes. Organisations face the challenge of harnessing the potential of emerging technologies while addressing the environmental impact, contributing to the imperative for sustainable and eco-friendly digital practices.

The intersection of artificial intelligence and creativity introduces a new dimension to business, requiring organisations to explore how human ingenuity and

machine intelligence can collaborate synergistically. The exponential growth of data generated by digital processes raises questions about storage capacity, data retention policies, and the environmental implications of managing vast amounts of information.

The orchestration of complex ecosystems of technology providers, partners, and stakeholders requires organisations to develop robust governance frameworks to ensure coherence and efficiency in digital collaborations. The imperative for transparency in data usage and algorithmic decision-making becomes a cornerstone of organisational credibility, demanding openness about ethical considerations in business. The shift towards outcome-driven business models challenges traditional revenue streams, prompting organisations to explore innovative monetisation strategies aligned with the value they deliver through digital processes. As digital transformation's influence on business management unfolds, this research aims to illuminate the intricate web of challenges and opportunities organisations encounter, providing a roadmap for navigating this transformative landscape.

### **3.2 The ways of improving business management through digital transformation**

In the dynamic landscape of modern business, digital transformation has emerged as a critical imperative for enterprises seeking to enhance their business management practices. This transformation entails leveraging advanced technologies and innovative strategies to drive efficiency, agility, and competitiveness across all facets of the organisation. At the core of digital transformation lies the adoption of cutting-edge data analytics tools, enabling enterprises to derive actionable insights from vast volumes of data. By harnessing the power of data analytics, enterprises can make informed decisions, identify market trends, and uncover hidden growth opportunities. Moreover, cloud computing solutions are pivotal in facilitating scalability, flexibility, and cost-effectiveness within the organisation.

As for “EPAM SYSTEMS” LLC, it can optimise resource allocation through cloud-based platforms, improve team collaboration, and accelerate time-to-market for

products and services. Additionally, automation technologies are instrumental in streamlining repetitive tasks, reducing manual errors, and increasing operational efficiency. By automating routine processes, enterprises can free up valuable human resources to focus on strategic initiatives and innovation. Artificial intelligence (AI) and machine learning (ML) algorithms also drive significant advancements in business management, enabling predictive analytics, personalised recommendations, and autonomous decision-making.

Furthermore, cybersecurity remains a paramount concern for in the digital age. Enterprises must invest in robust cybersecurity measures to safeguard sensitive data, protect against cyber threats, and maintain customer trust. Integrating Internet of Things (IoT) devices further enhances operational efficiency by enabling real-time monitoring, predictive maintenance, and improved resource management. As enterprises navigate the complexities of digital transformation, agility becomes critical to their success.

Agile methodologies facilitate rapid iteration, adaptability to changing market conditions, and faster value delivery to customers. Moreover, DevOps practices promote collaboration between development and operations teams, leading to shorter development cycles, more rapid deployment, and higher-quality software. Customer-centricity is another essential aspect of digital transformation in business management. Enterprises can tailor products, services, and experiences by leveraging customer data and feedback to meet evolving customer needs and preferences.

Digital channels, such as mobile applications and social media platforms, enhance customer engagement, brand loyalty, and market reach. Furthermore, establishing a culture of innovation and continuous learning is vital for driving digital transformation initiatives forward. Enterprises can foster a dynamic and adaptive organisational culture by encouraging experimentation, knowledge sharing, and cross-functional collaboration. Strategic partnerships with technology vendors, startups, and industry leaders enable enterprises to access cutting-edge solutions and stay ahead of the curve in a rapidly evolving landscape.

However, successful digital transformation requires more than technology adoption - it necessitates a holistic approach encompassing people, processes, and culture. Change management strategies are crucial in navigating organisational transitions and overcoming resistance. Enterprises can facilitate smooth transitions and drive employee buy-in by fostering transparency, communication, and empowerment. Continuous monitoring, evaluation, and optimisation are essential for ensuring the success and sustainability of digital transformation initiatives.

By establishing key performance indicators (KPIs) and metrics, enterprises can measure progress, identify areas for improvement, and make data-driven decisions. Furthermore, investing in employee training and upskilling is crucial for building digital capabilities and driving innovation from within the organisation. In conclusion, digital transformation presents unprecedented opportunities for “EPAM SYSTEMS” LLC to reimagine business management practices, enhance competitiveness, and deliver value to customers in the digital age.

The digital transformation journey is ongoing and iterative, requiring constant adaptation and evolution to remain relevant in an ever-changing landscape. With the right strategy and execution, “EPAM SYSTEMS” LLC can unlock significant benefits from digital transformation initiatives. These benefits extend beyond operational efficiency to enhanced customer experiences, increased market share, and sustainable long-term growth. By embracing digital transformation, “EPAM SYSTEMS” LLC can position itself as an industry leader, driving innovation and shaping the future of business.

A fundamental aspect of digital transformation is democratising data and technology within the organisation. Enterprises can foster a culture of innovation and collaboration by empowering employees at all levels with access to data and tools. This democratisation enables individuals to make data-driven decisions, experiment with new ideas, and drive positive change within their areas of expertise.

Moreover, digital transformation enables “EPAM SYSTEMS” LLC to break down traditional silos and foster cross-functional collaboration. Enterprises can streamline workflows, improve communication, and accelerate decision-making by

integrating systems and processes across departments. This interdisciplinary approach promotes synergy and alignment towards common business goals, driving organisational efficiency and effectiveness.

Furthermore, digital transformation empowers “EPAM SYSTEMS” LLC to embrace a more agile and adaptive approach to strategy and execution. Rather than adhering to rigid long-term plans, enterprises can adopt a more iterative and responsive approach to addressing market dynamics and customer needs. This agility enables enterprises to pivot quickly in response to emerging opportunities or challenges, staying ahead of the competition and maintaining relevance in a rapidly changing landscape.

Additionally, digital transformation enables “EPAM SYSTEMS” LLC to leverage data as a strategic asset, driving market innovation and differentiation. By harnessing advanced analytics and predictive modelling, enterprises can uncover insights that drive product innovation, enhance customer experiences, and optimise operational efficiency. This data-driven approach enables enterprises to make more informed decisions, mitigate risks, and capitalise on emerging trends and opportunities.

Moreover, digital transformation empowers “EPAM SYSTEMS” LLC to embrace a customer-centric approach to business management. By leveraging data analytics and digital channels, enterprises can gain deeper insights into customer behaviour, preferences, and needs. This understanding enables enterprises to personalise products, services, and marketing initiatives, fostering more robust customer relationships and driving loyalty and advocacy.

Furthermore, digital transformation enables “EPAM SYSTEMS” LLC to optimise their supply chain and logistics operations, driving efficiency and reducing costs. By leveraging technologies such as IoT, blockchain, and predictive analytics, enterprises can gain real-time visibility into their supply chain, identify bottlenecks and inefficiencies, and proactively address them. This optimisation enables enterprises to improve product quality, reduce lead times, and enhance customer satisfaction.

Additionally, digital transformation empowers “EPAM SYSTEMS” LLC to embrace sustainability and corporate social responsibility as integral components of their business strategy. By leveraging data and technology, enterprises can measure and reduce their environmental impact, optimise resource consumption, and promote ethical sourcing and production practices. This commitment to sustainability benefits the planet and enhances brand reputation and customer loyalty.

Moreover, digital transformation enables “EPAM SYSTEMS” LLC to stay ahead of regulatory and compliance requirements, mitigating risks and ensuring business continuity. By leveraging technologies such as AI and machine learning, enterprises can automate compliance monitoring, detect anomalies, and reduce risks in real-time. This proactive approach enables enterprises to avoid costly fines, lawsuits, and reputational damage, safeguarding their long-term viability and success.

So, the best ways of improving business management on “EPAM SYSTEMS” LLC through digital transformation include:

- **Data Analytics and Business Intelligence.** Implementing digital tools for data collection, analysis, and visualisation allows “EPAM SYSTEMS” LLC to make informed decisions based on real-time insights. Predictive analytics can help forecast market trends, optimise processes, and identify areas for improvement.

- **Processes Optimization.** Digital tools like Internet of Things (IoT) sensors, blockchain, and predictive analytics optimise processes. Real-time monitoring ensures efficient operations and reduces costs.

- **Cybersecurity Measures.** It's crucial to prioritise cybersecurity to protect sensitive data and “EPAM SYSTEMS” LLC systems from cyber threats. Implementing robust security protocols, encryption methods, and regular audits safeguards business assets and maintains customer trust.

- **Integration of Artificial Intelligence and Machine Learning.** Incorporating artificial intelligence (AI) and machine learning algorithms into “EPAM SYSTEMS” LLC processes enables automation, predictive analytics, and personalised experiences. AI-powered chatbots, virtual assistants, and recommendation engines enhance customer service and drive operational efficiency.

In conclusion, digital transformation is a multi-faceted journey that empowers enterprises to reimagine business management practices, drive innovation, and deliver value to customers and stakeholders. By embracing digital technologies, data-driven decision-making, and a customer-centric mindset, enterprises can position themselves for long-term success in an increasingly digital world.

## CONCLUSION

The research allowed us to conclude the following:

“EPAM SYSTEMS” LLC has demonstrated a noteworthy surge in net profit, showcasing adept management and the capacity to capitalise on increased activity levels for profit generation.

The company exhibits relatively robust current and quick liquidity ratios, underscoring its sound working capital and cash management practices, which are crucial for ensuring financial resilience.

Moreover, the enterprise's financial stability coefficient remains consistent, underscoring “EPAM SYSTEMS” LLC's capability to meet financial obligations and uphold operational stability.

The steady turnover of “EPAM SYSTEMS” LLC's assets signals efficient resource utilisation for revenue generation.

Furthermore, the company's high return on equity and assets highlights its effective utilisation of internal resources to optimise profitability.

“EPAM SYSTEMS” LLC exhibits a resilient financial stance and a propensity for incremental expansion across diverse economic sectors. Financial outcomes reveal favourable shifts in revenue, expenses, and profits attributed to integrating digital technologies. The company witnessed a surge in sales volumes via online platforms alongside reduced operational costs, courtesy of digital transformation.

Analysis of data unveiled enhanced productivity stemming from the influence of digital transformation. This achievement is facilitated by streamlined order processing times and reduced error rates facilitated by automated systems.

Digital transformation has fundamentally altered the dynamics of business engagement with customers and stakeholders. Evaluation of shifts in business models, such as adopting data exchange platforms, has positively affected financial outcomes. The ramifications of digital transformation have conferred competitive advantages over other players in the market.



Digital transformation can revolutionise business management within “EPAM SYSTEMS” LLC by streamlining processes and automating tasks, thus boosting operational efficiency. With vast data and advanced analytics tools, decision-makers can make informed choices that drive business growth and innovation. Collaboration across teams is greatly enhanced through cloud-based platforms and collaboration software, fostering teamwork and accelerating project timelines. The agility afforded by digital transformation enables “EPAM SYSTEMS” LLC to adapt quickly to changing market conditions and technological advancements, staying ahead of the curve. By leveraging digital technologies to personalise customer interactions and anticipate their needs, “EPAM SYSTEMS” LLC can enhance the overall customer experience and foster loyalty. Scalability becomes achievable as digital transformation provides the infrastructure and capabilities needed to expand into new markets and efficiently serve a more extensive customer base.

The ways of improving business management on “EPAM SYSTEMS” LLC through digital transformation include: Data Analytics and Business Intelligence, Processes Optimization, Cybersecurity Measures, and Integration of AI and Machine Learning.

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