



# Phenomenon of **Digital** Transformation:

Analysis of digital strategies  
while doing **business** in Russia



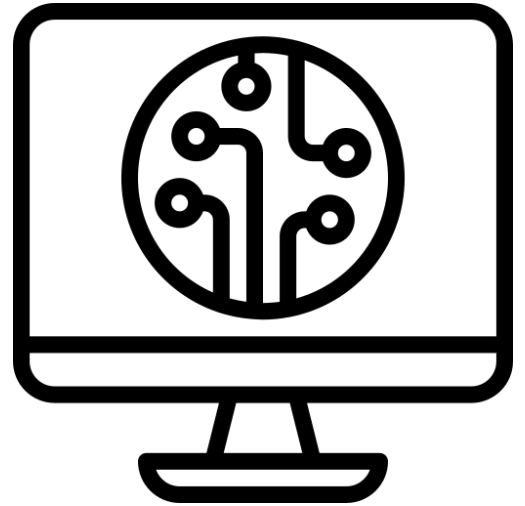
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## On Phenomenon of Digital Transformation

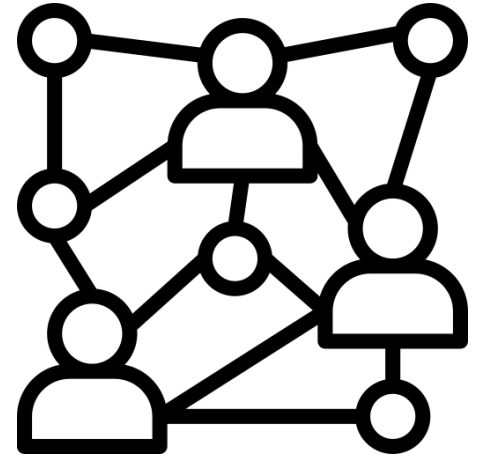
Business practices of particular companies are **changing**; whole branches of economy are **changing**; regions and states are **changing** together with the society and us, humans.

Also changing is **our understanding of economics**.



# On Phenomenon of Digital Transformation

“**Digital transformation** is a process of integration of digital technologies into all spheres of business activity demanding the introduction of fundamental changes in technology, culture, operations and principals of making new products and services”.

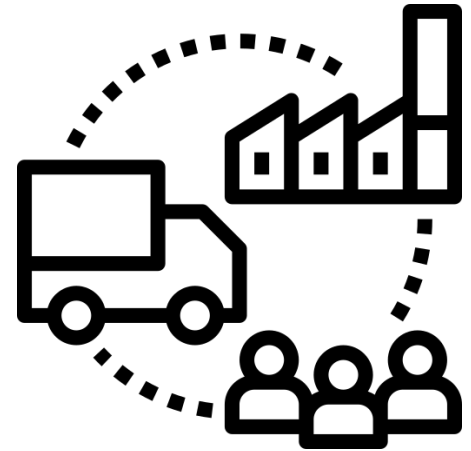




## On Phenomenon of Digital Transformation

The result of digital transformation must be found not only in the rise of incomings and reduction of expenses, but in **the organizational changes**.

Successful and effective digital transformation can be expected only when **the target of digitalization will be a deterministic business process**, which can be modelled and algorithmized.



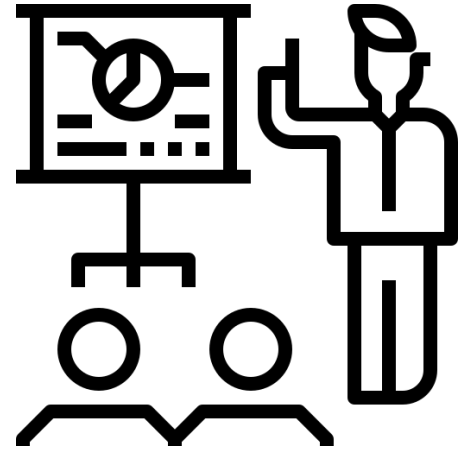


# On Phenomenon of Digital Transformation

**Scientific and Educational sectors** started to exert a great influence on economy (probably the greatest on the record!)

The establishment of the digital economy is inextricably linked with the development of **knowledge-based economy**.

Apart from knowledge, education forms **citizens' culture** correspondent to digital economy, and it largely determines the success of digital transformation.

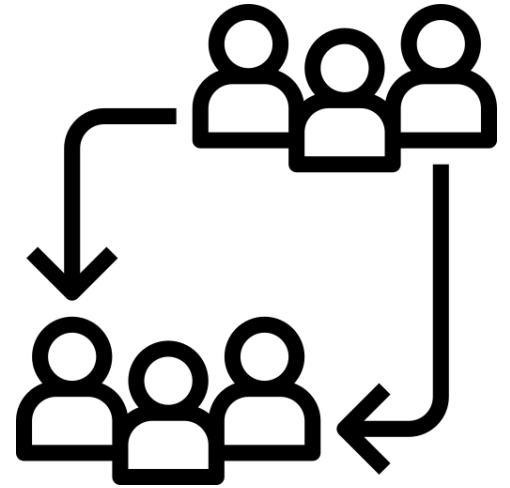




## Platforms in Digital Economy

A new operating model based on the mutual use of producers and customers is **platform**.

**Digital platforms** form a universal system of handling knowledge, technology and skills, which allows transition from taking a particular decision to a systematic approach.

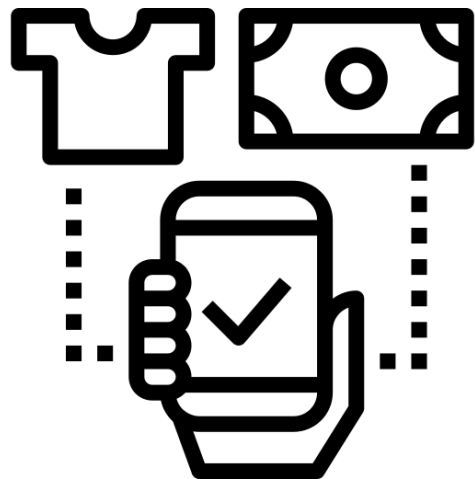




## Platforms in Digital Economy

In Russia, the most wide-spread are digital platforms on markets characterized by **close interaction between suppliers and consumers** (retail, financial services, consumer goods and services).

In **The Digital Economy of the Russian Federation National Program** a significant attention is paid to the creation of **infrastructural digital platforms** in industry, agriculture, civil engineering, medicine and other spheres.





## Platforms in Digital Economy

Today the largest digital companies are the most successful, but there are about **200 million global platforms** in the world economy.

Taking into account a great number of digital platforms worldwide, a special attention is paid to **rules and regulations that guarantee diversity of technological solutions and equal conditions for competitive environment.**





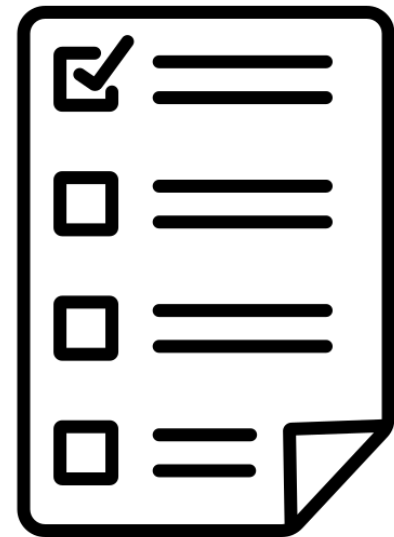


## National Projects as a Driving Force of Digital Business in Russia

A strategic task for Russia is the implementation of **National Projects**, which become the drivers of economic growth.

The success of National Projects depends, in particular, on the extent of **business' involvement** into their realization.

Effective interaction between businessmen and the state in reaching the national goals of country's development will allow changes in the **character of Russian Economy** and reduce its dependence on oil prices.

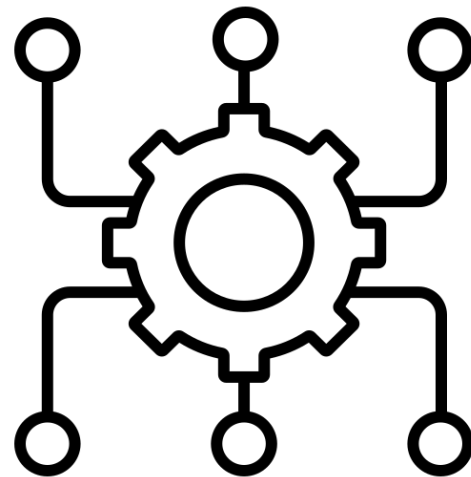




## National Projects as a Driving Force of Digital Business in Russia

Development should be provided **not only** by process automation.

The key role should be played by **a new business model**, creation of information products and services, development of social relations in this environment as well as human capital on the basis of opportunities provided by digital economy.

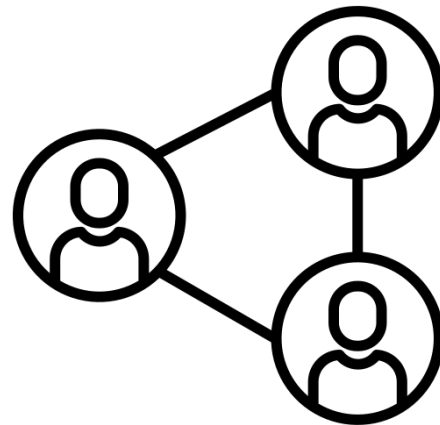




## National Projects as a Driving Force of Digital Business in Russia

**Small and medium businesses** are interested in the realization of these projects, because national projects aim at facilitating the conditions of doing business in the country.

Thus, one of the tasks of **Small and Medium Businesses and Support of Individual Entrepreneurship Initiative National Project** is creation of a digital platform for informational support of small and medium businesses as well as individual entrepreneurs.





## National Projects as a Driving Force of Digital Business in Russia

Today the **Russian Direct Investment Fund** (RDIF) attracting foreign investment to national projects.

In 2019 the RDIF came up with two initiatives:

- a)** Regional Development Fund
- b)** National center for attracting investment in the regions

For national projects the RDIF forms a pool of industry investors who are ready to cooperate with the regions.





## National Projects as a Driving Force of Digital Business in Russia

Participation of **foreign companies** in the Russian national projects:

- ❑ **“Orpea”, “Philips”** (national project *“Healthcare”*)
- ❑ **“Inalca”** - building export potential (national project *“International Cooperation and Export”*)
- ❑ **METRO Cash & Carry** - investment support for the partners of the “Fasol” franchise program (national project *“Small and Medium Businesses and Support of Individual Entrepreneurship Initiative National Project”*)
- ❑ **Fortum** - development of the Russian renewable energy market (national project *“Ecology”*)
- ❑ **Rönesans** - roads construction and maintenance (national project *“Safe and high-quality roads”*)





## Trends and Barriers in the Latest Development of Digital Business through the example of Leningrad Oblast'

In Leningrad Oblast (Region) businesses and state have an important common goal – to initiate the closest **cooperation** in the most effective forms.

In 2018, the Chamber of Commerce and Industry of Leningrad Oblast together with Pushkin Leningrad State University organized an **Expert Group on Digital Economy**, which acquired regulatory and legal initiative allowing it to form a **regional legal base** for the adaptation of the Digital Economy National Program at the regional level.





## Trends and Barriers in the Latest Development of Digital Business through the example of Leningrad Oblast'

An important aspect may be the introduction and spreading the practice of **partnership between regional educational and business structures**, whose activities are connected with digital technology.

A **researcher** will possess qualities necessary for doing business, while an **entrepreneur** will acquire help from academic community in effective realization of his or her projects.





## Trends and Barriers in the Latest Development of Digital Business through the example of Leningrad Oblast'

Priority **digital** projects for Leningrad Oblast':

- ❑ **Smart cities**
- ❑ Leningrad Oblast' Governor's **Situational Center**
- ❑ **Smart platform** for managing data from 60 regional information systems
- ❑ **Digital platform** for investment and construction industry







## Trends and Barriers in the Latest Development of Digital Business through the example of Leningrad Oblast'

Today it is necessary:

- a) to determine the main ways of **modernization of the regional legislation** aiming at its adaptation to the digital economy;
- b) to establish a **special legal framework** for organizations which conduct business in priority branches in the sphere of digital economy.





**Thank you for  
your attention!**