

# The Impact of Digitalization on the Model of Entrepreneurship Innovative Development

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**Abstract:** The relevance of the declared subject of scientific research is due to the limited practical research regarding the positive impact of digitalization processes on the development opportunities of enterprises through the introduction of innovations. The purpose of this research is to study the actual results and evaluate the prospects for using the digital technologies as a competitive advantages for business, as well as confirmation of the positive impact of digitalization on the management of innovative processes at the enterprise. In this research, the following concepts became the methodological basis: the combination of system analysis in the study of implementation processes and the effective use of modern technologies for business digitalization, and the generalization of theoretical data and results of analytical information regarding the use of digital technologies at the enterprises in today's conditions. It is substantiated that the rational use of advantages of the digitalization implementation process is a prerequisite for the business success in the digital economy. The significance of the results. The results of the scientific study, as well as the conclusions formulated on their basis, are of significant importance for the owners and enterprises' management.

**Keywords:** Technologies, Competitiveness of Enterprises, Digitization, Digitalization, Digital Transformation, E-Commerce.

**JEL Codes:** K20; L26; O31.

## 1. INTRODUCTION

In today's conditions, it is not enough for enterprises to produce quality product and occupy a certain niche in order to stay afloat and make a profit. Focus on innovative development and structural changes are the necessary condition for success, which in turn should include the digitalization of all production processes. Because the process of digital transformation requires companies on a daily basis to transform and take care of the customers, business models, new technologies, agile methods and innovations (Okano et al., 2021). The essence of digitalization is to implement business innovations that create opportunities for new integration with customers, the optimization of production processes and the creation of business models of the new generation in general (Mishchenko et al., 2021; Praxie, 2022). However, today some companies are not focused on the digitalization introduction, since their primary goal is to increase sales and make a profit. But the result of optimizing the internal processes, including the digitalization, takes a lot of time and it is not a priority (Tkachenko et al., 2021). Considering that, domestic enterprises consider the following concept: "in order to be competitive in modern conditions, it is necessary to introduce new approaches to entrepreneurship and develop

new products using the digital channels of enterprise. Digitalization contributes to generating new ideas for carrying out the entrepreneurial activities and increases the creativity and innovativeness of approaches to its activities" (Korobka, 2021; Ginters and Aizstrauta, 2018). These are the most common terms associated with digitalization: "digitization", "digitalization" and "digital transformation", which are widely used, but often misinterpreted (Digitization, digitalization, digital..., 2022).

Digital technologies such as artificial intelligence can be applied to optimize the production and distribution, improve management decisions concerning the market entry, search for new customers, more efficiently selecting of counterparties, improve the advertising strategies, which will allow better pricing and forecasting for demand (Kraus et al., 2019; Babak et al., 2020). Estimated digitalization reduces costs for the production maintenance (10-40%), equipment downtime (by 30-50%), time to entry into a market (by 20-50%), and costs to ensure product quality decline (by 10-20%), storage costs (by 20-50%), etc. (Clemons, 1995). Digital transformation can be defined as a changing of revenue generation strategies, applying a flexible management model that withstand competition, quick meeting of changing requirements. It is a process of reinventing business with digitalization of operations and the formation of enhanced relationships in the supply chain. The use of the Internet is practical for design, manufacturing, marketing, sales, presentations and management models based on the data (Schallmo

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et al., 2018; Kisiolek et al., 2021). In essence, such a digital transformation uses "disruptive technologies" to increase productivity, create value and social welfare (Ukraine 2030e..., 2022).

It is important to note that digitalization has also begun to be implemented at the scientific level, including the areas of entrepreneurship and management activity, among the other areas (Kraus et al., 2019). Given the circumstances and the lack of analytical data, there is an urgent need to study this topic. The prospects for innovative activity are the digitalization of production processes and the formation of business strategies, accompanied by the introduction of digital technologies in continuous production processes, its systematization, reporting and analytics based on the work done (Lenka et al., 2017; Ivanov et al., 2021). Fundamental change in the already configured and functioning processes is an important condition for such changes, that is, the creation of a new product based on the existing one, and at the same time, the product that meets the needs of customers and gives the company a competitive advantage in the market in real time.

The purpose of this research is to study the actual results and evaluate the prospects for using the digital technologies as a competitive advantages for business, as well as confirmation of the positive impact of digitalization on the management of innovative processes at the enterprise.

## 2. MATERIALS AND METHODS

In the era of digital technologies and innovation processes, there is a further need to create new products on the market that will satisfy the modern consumer as much as possible, contribute to the financial growth of enterprises and increase their investment attractiveness. The process of digitalization contributes to the innovativeness of entrepreneurial activity, it accelerates the production processes and gradually reduces the influence of "human factor" on direct production, as well as gives opportunity to free up employees' time to form a creative vision, writing marketing strategies, reducing financial costs in the future, etc. It is important to shift such informational, analytical and statistical data into the scientific field and confirm it with further research work. Therefore, in the process of scientific research and subsequent writing of the article, the results of published scientific studies became the theoretical basis, and its main tasks were to analyze and evaluate a number of problematic issues related to the need for digitalization and the benefits that accompany production processes after its introduction. To conduct such a study, the following research methods were used: theoretical methods (logical, analysis; synthesis; concretization; generalization; economic and mathematical modeling); empirical (study of international experience of the implementation of digitalization processes in the work of enterprises, acquaintance with the legislative and regulatory framework for regulating digital technologies); methods of mathematical statistics and graphic representation of results.

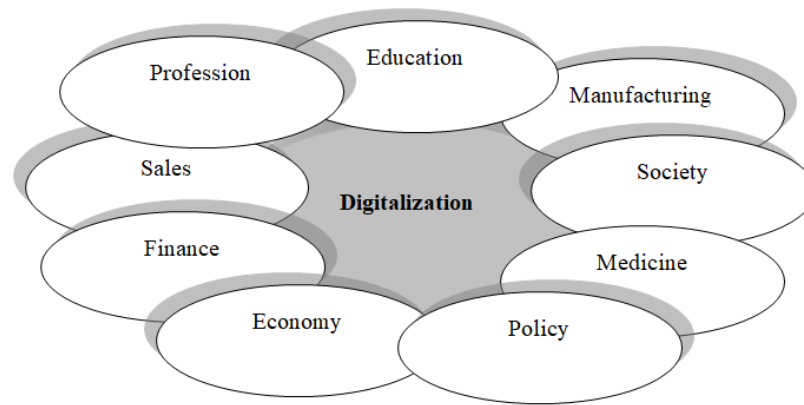
As it was noted above, there is a lack of analytical data and an absolutely fragmented research base at the level of specific enterprises, which is an obstacle to using a systematic approach to study information and formulating appropriate conclusions. In this regard, the search for relevant information was carried out by limited criteria and it concerned

the scientific articles of authors who had already investigated this issue at the macro level, and the statistical data of the official sources became the experimental base for the study. In the process of writing the study, it was used a number of English-language works by the leading scientists and practitioners on the issue under study.

The study of the problem was carried out in three stages. At the first stage, it was conducted a theoretical analysis of the already existing concepts such as "digitalization", "innovation", "digitization", "digital data" and "digital technologies" in the economic scientific literature; it was determined the problem, purpose and research methods, the plan of the experimental research was drawn up. At the second stage, an analytical study of the available data was carried out, and the factors influencing the digitalization processes in the innovative growth of enterprises were listed. The prospects for using the digital technologies in the innovation process in businesses are listed and substantiated. At the third and final stage of the research work, the prospects for using the digital technologies in the innovative business processes in Ukraine were formulated based on the results obtained in the course of the research work. In general, according to the results of this scientific study, the relevant conclusions have been drawn up that can be used in the future as an effective scientific basis for studying the prospects for increasing the competitiveness of Ukrainian enterprises when conducting appropriate digitalization in management in order to apply innovations in the production processes.

## 3. RESULTS

The completed scientific study concerning the influence of digitalization on the model of innovative development of entrepreneurship gave the following results. At the present time, the introduction of innovative and completely new technologies, as well as progressive and currently unpredictable management decisions with a specifically adjusted labor organization are the new and characteristic signs of the enterprise's effective activity. That is, modern realities confirm the necessity and importance of digitalization processes in all spheres of our life. Modern entrepreneurs should focus their attention on this statement. Since a business that does not pay enough attention to the processes of "digitalization" of its production may soon be left far behind seeking the customer and may give up its competitive place to entrepreneurs who keep pace with modernity. Digital transformation means the integration of digital technologies in all areas of business. This integration leads to fundamental changes on how citizens, enterprises and organizations operate, how they provide value for themselves, their employees, customers, partners, by achieving their own and common goals, including economic and social goals, faster and cheaper and with new quality (Ukraine 2030e ..., 2022). Digitalization opens up many new opportunities for enterprises to effectively implement digital tools, however this process will be efficient and effective only in the case of availability of appropriate strategy. To date, there is no systematized teaching of the theoretical foundations of digitalization in the specialized literature (Kolyadenko, 2016). In essence, the "digitalization" process involves three main steps to focus on:



**Fig. (1).** Fields of digitalization implementation.

1. Data transfer to digital media. At this stage, business owners transfer the client base and accounting of available resources to electronic format. There is an optimization of using the search customer base, a reduction of time to execute an order and its logistics from the producer to the consumer.
2. Transfer of processes, operations, mechanisms and functions of its management into a digital format with the subsequent creation of "digitalization products". This stage may be the object of partial or comprehensive state administration, which provides for the mandatory use of electronic digital signatures, the introduction of the Unified State Portal of services "Dia" and "Your State in Your Smartphone", the mandatory of cash registers and monitoring of financial transactions, the protection of personal data and confidential information, including the protection from cyber-attacks and etc.
3. Full integration of enterprises into the digital economy and industry 4.0. Digitalization as a transformational process is a characteristic feature of this stage, and its fundamental basis is digitization and automation of production processes. In this case, the "Industry Development Strategy 4.0" is the best explanation of the final stage of digitalization, which is developed by the Association of Industry and Entrepreneurs of Ukraine, and it is a methodological set of instructions for introducing such changes for business (Order of the..., 2018; Naumenkova et al., 2022).

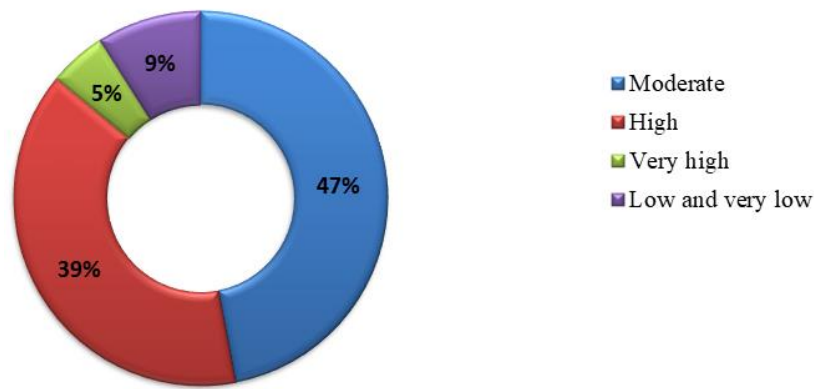
It should be noted that the Covid-19 pandemic, which caused the restriction in live communication and free movement of people, became the key reasons for accelerating the digitalization process in the world. During this time, the governments of the countries have faced the obvious and sudden problem, rather than a gradually growing problem. The task that was involved in the strategic plans and considered as a breakthrough in the economy, became a necessary measure of communication and functioning between the producer and consumer under the existing restrictions (Kisiołek et al., 2022). At that moment, e-commerce has become a driving force in supporting economic stability. In a short period of time, at least 60% of the functioning world market has gone online for the solution of basic humanitarian and global so-

cio-economic issues (McKinsey & Company, 2022). Thus, the transition to digital technologies became one of the key elements of reforming the modern business, because the rating of the national economy on the world stage depended on these digital technologies. That is, the changes have been primarily formed from the analysis of consumer needs, the quality assurance of which is provided by the state, and the formulation of a business strategy to meet these needs, as well as to preserve the interests of the business in particular. It can be stated that digitalization has seeped into every sphere of human life, which is accompanied by both satisfying the primary needs and the society development in general (Fig. 1).

Technological breakthrough in many areas became a possible phenomenon due to the new products and financing of researches on this topic. When new technologies and products are created and used, a rapid spurt of economic growth is observed. According to the research by International Data Corporation, the global costs for digital technology and services for digital transformation increased by 10.4% in 2020, despite the budgetary concerns caused by the pandemic (Zhosan, 2020). However, despite all the positive aspects of digitalization in business processes, the main disadvantages of "digitalization" in production are as follows:

- the lack of leading specialists and highly qualified performers in all the necessary areas provided for by the digitalization process of a particular enterprise;
- the time required to be spent on the digitalization of enterprises, which can cause reputational losses of the enterprise at the transitional stage, in particular, the loss of customers or a decrease in the "check";
- financial cost for the introduction of new technologies in business processes;
- the lack of stability and consistency in the existing competitive advantage, which is primarily due to the speed and changeability of both the latest innovations in the chosen industry and their rating assessment.

Already today, it can be stated that the leading business representatives from various industries have introduced digitalization into the processes of manufacturing and sales of prod-



**Fig. (2).** The general level of digital transformation of companies (according to the assessments of directors of correspondent companies).

ucts, and this is evidenced by the statistics provided by the consulting company (McKinsey & Company, 2022; Babak et al., 2021). According to the data, as of the end of the second quarter of 2021, about 60% of communications with customers occurred exclusively through the Internet, and this figure almost doubled compared to the previous year. More and more products and services became available in the online space: in mid-2020, this share increased by 20% compared to the COVID-19 pre-pandemic period of (Industry 4.0 development ..., 2019). To assess the level of digital transformation in Ukraine, it is advisable to take the Digital Transformation Index from the EBA is a study of the state of digital transformation at enterprises (2021) that was first conducted by the European Business Association. According to the results of survey, an assessment was established by the heads of Ukrainian enterprises concerning the level of digital development of their business (Fig. 2).

However, it should be noted the significant contradiction between the digitalized business and the business that has begun the digitization process, and which should not be included in these statistics. The digitalized business create new products, introduce new technologies and offer such products and services on the market, by creating a development precedent, while non-digitalized business are just starting to digitize their business and reporting. The expansion of the limits of using the modern technologies in production indicates the importance of scientific "intervention" and the activation of research projects to confirm the proposed or already implemented changes for the economic development and scientific and technological breakthrough in general. The introduction of digitalization for business contributes to the solution of a number of tasks, including: improving the quality of products or services; automation of the production processes; optimization of processes within the company; establishing communication with contractors; increasing the business competitiveness; simplification of work with data; improvement of the marketing strategy and introduction of completely new advertising tools; increase in the customer base and consumer interest in products (Mustafin and Kantarbayeva, 2021; Zaporozhets et al., 2021).

The leading agricultural company of Ukraine "Kernel" is a vivid example of successful digitalization of business and all business processes, which was included in the top 25 Ukrainian innovation leaders (Official website of..., 2021). In recent

years, the company has automated the work of all its enterprises, by creating a unified structure of production processes, reporting, large HR (human resources) management with the help of information technologies (Kernel was included..., 2021). The implemented innovative ecosystem of Digital Agri Business allows receiving information in a short period of time about the fields the company works with, the corresponding photo and video recording of the work performed, detailed reports and analytics, etc. According to the data of consolidated report published on the company's official website, it can be traced the dynamics of the company's profit increase over the past few years (Table 1).

**Table 1. Dynamics of the Main Indicators of the Company "Kernel" for 2019-2021 (in Millions of United States Dollars).**

Indicator	2019	2020	2021	2021/2020, Deviation in %
Income	3.960	4.107	5.647	38
Debt obligations	770	1.350	1.410	4.1
Total profit	334	457	903	98
EBITDA	346	443	929	98

Note: EBITDA – Earnings before interest, taxes, depreciation and amortization.

Profit from main activity reached the mark of 929 million United States dollars, which includes mainly the profit from the trading operations of the Avere project. In financial year 2021, the group received \$5647 million, which is 38% higher than in 2020. According to EBITDA indicator, the business made a profit of about \$100 million financial year 2021. Company representatives claim that the company's rapid growth began in 2018, after the announcement of its intention to exceed the average indicator of the product export by 4 times, which was successfully completed. Moreover, as of 2021, the Kernel group of companies is the largest exporter of grain in the Ukrainian market. It can be assumed that the company's main driving force of the changes and subsequent results obtained is considered precisely the digitalization of the company's processes, which is based on the logistics chain "speed, low cost, flexibility and resistance to changes and market conditions" (Official website of..., 2021).

The above-mentioned example confirms the statement that "digitalization is one of the prerequisites for the innovative development of entrepreneurship and the socio-economic structure as a whole." This process is still not fully evaluated and studied from a research point of view, but this is not an obstacle to its effective and rapid introduction into the modern economic processes. There is no single instruction or methodological recommendation for the introduction of digitalization process in enterprises, however all available research on this topic is an indisputable evidence base of the effectiveness and necessity for further implementation of digitalization in the production and other areas. The process of introducing innovative technologies is complex and costly, it requires the managerial staff a special attention and priority of the selected processes in production, and at the same time it contributes to the development of new types of business activities, investment income and technologies' innovativeness.

#### 4. DISCUSSION

The study of professional literature allows stating the existence of theoretical studies regarding the essence of the concept of "digitalization" and the main advantages and disadvantages that accompany the continuous development of this process in enterprises. However, there is a lack of analytical data that would fully reveal the potential need for digitalization of enterprises and the opportunities that open up for business with the use of innovation. It is important to note that the topic relevance is gaining more and more publicity in international scientific and methodological publications and practical expert assessments. Digitalization is a generalized term for denoting the digital transformation of society and economy, which justifies the transition from the industrial era and analog technologies to the era of knowledge and creativity, characterized by digital technologies and innovations in digital business (What is digitalization, 2022; Sarybayev et al., 2021). If to turn to history, the term "digital economy" was described in the work by the American scientist N. Negroponte (1995) for the first time. However, there is still no single definition of this concept. S. Brennen and D. Kreiss (2016) characterize digitalization as the adoption or increase in the use of digital and computer technologies in the organization, industry, country, as a way of restructuring many areas of social life around digital communications and media infrastructure. Digital transformation symbolizes a fundamental rethinking of using technology by the organization (Boulton, 2020), as well as people and processes in order to fundamentally change business efficiency (Kudabayev et al., 2022). According to K.A. Kuprina (2016), digitalization in a broad sense means a conversion of information into the digital form. M. Varlamova and Y. Demianova (2020) substantiate a slightly different concept – the digital economy as a set of processes is carried out in the economy thanks to the information and digital technologies.

The leading companies of the world, led by their founders, consider digitalization in the field of production as an opportunity to obtain competitive advantages and innovative development of their own business that precedes this. Since digitalization is a process that primarily concerns the market

leaders, it is worth noting that some companies dedicate a certain ideological doctrine to this. For example, group of companies BMW interprets digitalization as a complete digitalization of all sectors of the economy and society with further ability to collect, analyze and use the relevant information. Mazzone interprets the technological process as nothing less than the impact on society due to the change of business sectors, based on the global Internet. Whatever the attitude of each individual member of society to digital changes, the author agrees with the statement given by G.B. Sokolova (2018) in her scientific article: "digitalization is the filling of physical world with electronic digital devices, means, systems, as well as setting up the electronic communication cloud between them, which is the basis for the development of the digital economy." Based on the above-mentioned information, it can be stated that digitalization affects the operational activities of businesses and it gives businesses innovative opportunities. Since the role of digital technologies cannot be denied, and more and more companies tend to digitalization of their production and consider this as a prospect for profit growth and sustainable development (Gendrarto, 2021; Tanirbergenova et al., 2021).

With the advent of digital technologies, a new industrial revolution has taken place, by causing disruptive changes along with the future progress (Schwab, 2016). In this regard, the transformational processes relating to both business and society as a whole are faced with fundamental need for radical changes in their structure and work methods. They develop complex economic systems, which should specifically cover many elements, including interacting in dynamics. These are the following advantages of digital technologies as a tool for influencing the growth of production capacities of all industries: acceleration of managerial decisions, creation of the new products and improvement of the existing ones, as well as optimized exchange of information (Brettel et al., 2014; Tashpulatov et al., 2020). This should be a key reason for the companies' transition to the digital technology (Christensen and Raynor, 2013). In addition, digitization will become a warning for the decreasing of profit indicators, and such a business strategy will be considered as method of reforming that companies continue to implement along with innovations, operations' optimization, and using of digital technologies with simultaneous expansion of their connections, an increase in customer base and leading specialists (Bolton et al., 2018).

Currently, an important task is to increase the number of scientific studies regarding the understanding of uniqueness of the possibilities of using digital technologies, while analyzing the organizational requirements that will contribute to the effective use of technologies. There is a need to build a model of cooperation between the science and business that will create some synergy between the strategic decision and operational management (Osterwalder and Pigneur, 2002; Mansurova et al., 2018). One of these models was developed and published in a scientific article by Y.-Y. Lee, M. Falahat, B.-K. Sia (2019). Its conceptual basis is the moderating role of digitalization between enterprises and the international market. It is substantiated the assertions that small and medium-sized businesses have opportunity to enter the

international market due to the influence of digitalization. It is also reflected the gaps in literature and the need to develop methodological recommendations for the temporary minimizing the entry of a business into internationalized market. It is obvious for scientists that digitalization as a process becomes a kind of conductor of the possibilities for processing large amounts of data, namely the speed, reliability and significance. This further allows managers to both create business building strategies and quickly make changes in accordance with market situations. It is optimal to consider such statements on examples, one of which is the consumers' purchasing behavior and the demand for certain products under certain conditions at a given time, which became possible only through the use of special software and the Internet (Grubic and Jennions, 2018; Ginters, 2019).

Enterprises apply various types of digital technologies, including online sales, database analysis, digital learning and others, in order to form an appropriate price level. In addition, enterprises apply digital marketing, e-commerce, social networks and more. That is, the introduction of digital technologies both directly and indirectly creates competitive advantages in the digital economy (Porter and Heppelmann, 2015; Danchuk et al., 2021). The digital economy is one of the most important factors in of economic growth and the formation of a new quality of life, an area of new extraordinary opportunities, which at the same time requires new approaches to its organization and management. The leaders of the global economy consider digitalization as a priority area of innovative development of production and economic systems at various levels and a tool for to ensure competitive advantages in the long term.

M. Rachinger, R. Rauter, C. Müller, W. Vorraber, E. Schirgi (2019) have similar considerations regarding the adaptation of digitalization and its impact on the progress of the company's plans. According to their research, increased digitalization affected the business activities, which led to the emergence of various services, including the emergence of separate business segments that serve these types of operations. Digitization also contributes to the creation of new types of digital associations with consumers and professionals. However, there is a fundamental gap in this kind of research, since the necessary amount of statistical data is not available (Khan et al., 2015; Hasselblatt et al., 2018). Increased digitalization has affected various activities, including the business models of companies, by enabling the various and new forms of cooperation between companies and leading to the new product and service offerings, as well as new forms of company relationships with customers and employees. At the same time, this digitalization has forced the companies to think about their current strategy and explore new business opportunities both systematically and at the early stages. While the study of digitalization in the context of business models is now attracting increasing attention, a research gap still exists in this area, since the amount of empirical data is limited, as it has already been noted (Lee et al., 2019; Chernikova, 2020).

The arguments only about the growing potential of digitalization and digital technologies for providing an innovative

business model prevail in the existing literature (Bolton et al., 2018; Brettel et al., 2014). However, it is confirmed that appropriate business models are critical to benefiting from digital technologies in economic, environmental and social terms. Emergence of digital technologies and applications, Industry 4.0 (Osterwalder and Pigneur, 2002), artificial intelligence, automation, remote monitoring, predictive maintenance, smart contracts, digital data, cloud technologies, analytics and smart connected products – such activity provides many opportunities for business development (Parise et al., 2016; Zaporozhets et al., 2020). After analyzing various scientific studies, it can be stated that digitalization has a positive impact on the innovative activity of enterprises. Most experts of different industries also consider the technological changes as positive things, since Industry 4.0 is expected to increase the efficiency of enterprise activity by an average of 15-20%, which in turn will result in more than 20% of total income over the next years (Clemons, 1995). Also, the Swiss economist K. Schwab (2016) reveals the additional benefits of "digitalization", namely:

1. The rapid growth of innovation, which will lead to a noticeable improvement in the efficiency, productivity, as well as cost minimization.
2. The rapid growth of data and the ability to apply for modern technologies, which will contribute to attracting the various layers and developing in many aspects. The use of artificial intelligence in all areas of life demonstrates the vivid examples of using in today's world: from mass robotization to biotechnology.

However, despite all the positive benefits of digitalization for enterprises and the opportunities for their development through the innovation over the past few decades, the global market has faced another problem, which arises for companies that have decide to take the path of digitalization. Only after receiving the necessary results along with the technological changes carried out, the business also faces various problems, including the rapid technological changes, the complexity of choice provoked by the change in the customer preferences and the requirements of the current legislation (Hendriarto, 2021; Nazemi et al., 2015). This has led to another problem, namely the business receives countless technological opportunities, but it is a question which technological opportunity to use for obtaining the maximum effect. At the same time, it is observed the managing of unknown issues, for example, exactly how and when digitalization leads to the new business innovations that help achieving the profitable and sustainable business goals (Aizstrauta et al., 2013; Morioka et al., 2018). The modern digital offers of companies for the customers are increasingly becoming unprofitable for manufacturers. Profitability declines due to a significant increase in cost and insufficient increase in revenue, and the specific value for the customer may not materialize due to the imperfections of process or product gaps that are obvious to the customer. Ultimately, the trust and reputation of companies are under threat, and the companies need to more carefully analyze the possibilities of business models in order to cope with this trend, before putting a new digital

offering into operation (Khan et al., 2015; Batrakov et al., 2017). This confirms the assertion concerning the need to develop a more thoughtful and systematic process for evaluating the potential of digital business models and monetizing them.

When looking for ways to effectively solve this problem, it is important to structure the results of thematic studies for the formation of specific strategic steps for business (Lee et al., 2019; Cenamor et al., 2017). Currently, digitalization receives support from two sides: the state and leading specialists of industry. On the part of the government, it is the establishment of norms and rules at the legislative level that implement regulation at the established level, and on the part of entrepreneurs, it is the economy stimulation due to competition in the creation of new digital products and services, the creation of special associations and expert societies in the relevant industry (Borges et al., 2009; Iansiti and Lakhani, 2014). After analyzing the scientific and methodological literature, it can be stated the absence of selected studies that are fully devoted to the practical issues of digitalization of enterprises' innovative activities. However, there is a specific rationale for this – today, enterprises do not yet use all the directions and possibilities of digital technologies. Most often, they use their individual elements, which leads to a delay in their digital development, and which automatically reduces competitive advantages.

## 5. CONCLUSIONS

A scientific study of the impact of digitalization on the model of innovative development of entrepreneurship was carried out. It was established that the digitalization of business processes contributes to a variety of economic opportunities that an enterprise can realize in its activity. Digital technologies make it possible to improve product quality, simplify and systematize databases and provide opportunities to work with their arrays, which facilitate the process of information exchange, and all this, in turn, becomes a competitive advantage of the corresponding enterprise. However, the high cost of introducing such innovations is a key obstacle for implementing digital technologies and, accordingly, innovative production at the enterprise. Due to the transience of digital technologies, the enterprise cannot ensure the main goal of its activity, namely to satisfy the consumer needs. On the one hand, the problem of financing such digital changes is revealed, and on the other hand, the changes in the consumer needs are revealed, which are first produced by the competitive market, and then are satisfied, accordingly.

Today's realities confirm the thesis that business and digital technologies have become inseparable, but the enterprise that aims to maintain or occupy its competitive place in the market, has already encountered the need to digitize its own business, and depending on the situation, it is at one of three stages on which the detailed attention is focused in the study. In the process of writing the article, it was assessed the influence of digitalization on the possibility of innovative growth of enterprises and the prospects for their further development in accordance with the influence of digital technologies on domestic business in the context of the concept of the Industry 4.0 development, which is an additional and relevant direction of scientific research in Ukraine. It is also worth pay-

ing attention to the role of the state in the processes of business digitalization, both at the stage of enterprise digitalization and in the context of the state attitude to similar processes within its own structure. Based on this, the main changes related to the digitalization of interactions between the state and business are distinguished. Thus, the digitalization of business processes in the enterprise is a regularity and it is primarily caused by the evolutionary factor of the economy development. The new market rules dictate the conditions under which a business can be on the market, as well as acquires digitalization as a competitive advantage, primarily for its own benefit. In general, the issue of the impact of digitalization on the innovative development of entrepreneurship requires further careful study.

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