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DIGITAL ECONOMY AND CHANGES IN BUSINESS ANALYSIS

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Abstract. The activities of digital economy companies reveal new challenges for business analysis, since its traditional methods and techniques no longer correspond to both the changing business environment and the new business models of modern companies. Companies' capital is converted into intellectual capital. Business analytics will be characterized by the inclusion of algorithms for strategic analysis of the company’s competitive position using space analysis methods. Business evaluation criteria will reflect the satisfaction of stakeholders' interests instead of assessing the business through financial performance indicators. The face of competition will change, and management systems based on digital platforms will compete.

Key words: business analysis, business models, business processes, intellectual capital, blockchain technology, space analysis methods, benchmarking.

INTRODUCTION

The emergence and rapid development of digital economy companies pose new challenges for business analysis, since its traditional methods and techniques cease to correspond to both the changing business environment and the new business models of modern companies. A key element of the business models of companies in the sector under study - business processes - are, in particular, the creation and use of databases and information resources; development of computer software; data processing, provision of services for the placement of information. The key types of capital are becoming intellectual, including digital, human, social and reputation. In the future, the key technology underlying the business model will be block chain technology, which will significantly increase the efficiency and transparency of the business and "allow the creation of new business models that are not burdened by unnecessary intermediaries" [1].

MATERIALS AND METHODS

Modern business analytics, focusing on the changing parameters of the business model and the requirements of the stakeholders system or its properties that meet their needs and expectations - ISO / IEC / IEEE 15288: 2015, ISO / IEC 29148: 2011), is characterized by the following trends:

The first trend. Inclusion of strategic analysis algorithms in business analysis, including algorithms for analyzing the company's competitive position based on a strategic approach, risk and threat assessment. For these purposes, one can use, in particular, methods of space analysis, benchmarking, and other methods of strategic analysis.

If you refer to the sources, you can see that: “SPACE-analysis (SPACE - Strategic Position and Action Evaluation) is one of the tools for diagnosing a firm's position in the market space and determining strategic alternatives for its development. The methodology is based on the analysis of the position of the firm and the conditions of its functioning according to four parameters: a) Competitive advantages of the firm; b) The financial position of the company; c) The attractiveness of the branch; d) Stability of the economic environment” [2].

Benchmarking is an analysis by comparing enterprise data with benchmarks, the ultimate goal of which is to identify, understand and adapt the studied examples of effective enterprise functioning to improve performance.

At the same time, according to the definition of benchmarking given by Professor Anthony Atkinson, - “... it is a process of studying and adapting the best practices of other enterprises to improve their own results, creating a standard for assessing internal performance indicators in an enterprise, a way of collecting information by enterprises in order to identify the best practices of others enterprises" [3].

Analysis includes two processes: assessment and comparison. Typically, the "best" product and marketing process used by direct competitors and firms in similar fields to identify the firm's potential ways to improve its own products and methods of work is taken as a model.

Second trend. Changes in the composition of business assessment criteria: business assessment through indicators of financial efficiency, and then fundamental and market value, is replaced by criteria reflecting the degree of satisfaction of the interests of a wide range of stakeholders, and not only of suppliers of financial capital; in this regard, it becomes necessary to assess the distributed value between the company's stakeholders within the framework of stakeholder approach to analysis.

The third trend is the emergence of new approaches in assessing the factors of increasing the company's efficiency. One of the key criteria for the success of a business is its ability to generate innovation. For example, according to Igor Zimnenko, Deputy General Director of I-Teco, "the face of competition is changing: it goes not so much for the redistribution of existing markets, but for the formation of new ones, while not products and technologies are competing, but control systems based on digital platforms" [4]. The key criteria for assessing the success of companies are indicators of business renewal in all aspects, indicators of the company's digitalization, indicators of the dynamics of its development and the effectiveness of investment activities.

Fourth trend. Changes in the composition of analytical financial indicators due to changes in the significance and reliability of indicators reflected in the compiled forms of financial statements of the enterprise. This is due to a change in the structure of the company's assets and expenses, a decrease in the reliability of assets and profit indicators due to an increase in their composition of intangible components, which are characterized by value volatility, which leads to the impossibility of using traditional financial bases in the analysis process, in particular non-current assets, total assets, equity, profit (which is affected by amortization, including intangible assets). Thus, the key financial bases of traditional analysis - profit and capital - cease to be a reliable basis for business valuation due to the volatility and unreliability of their valuation.

The fifth trend is a decrease in the importance of analyzing productive capital, namely, fixed assets and inventories, since their share in assets and their role in value creation is steadily declining. We can also state that there is an urgent need to analyze non-financial types of capital, which are becoming key drivers of value created by a business.

RESULTS AND DISCUSSIONS

The listed features determine the main features of modern analysis:

• predictive nature, based on an assessment of the external environment, the company's competitive position and modeling of future business development;

• focus on the stakeholder approach, which involves assessing the satisfaction of stakeholders, including the value distributed by the company;

• use of cash flows, proceeds, liabilities, working capital as the main financial bases, since they become the most reliable financial indicators of the company's activities.

The analysis technique includes the following steps:

• assessment of key characteristics of the economic sector;

• analysis of the strategic position of the company;

• analysis of the distribution of cash flows;

• financial analysis based on cash flows;

• analysis of the effectiveness of investment activities;

• analysis of fundamental cost factors and assessment of the company's “innovation premium”.

During the first stage, the economic sector, its profitability, riskiness, development dynamics are assessed; substantiates the conclusion about the higher efficiency and riskiness of the quaternary sector of the economy. At the second stage, the competitive advantages of the company, its market positions relative to the analogue are analyzed. At the third stage, the distribution of the company's cash flows is investigated within the framework of the stakeholder approach to analysis. At the fourth stage, the financial condition of the company is analyzed on the basis of an assessment of its cash flows, during which indicators of profitability, business activity, liquidity and solvency are calculated. At the fifth stage, the activity and efficiency of investment activities are assessed on the basis of cash flows from operating and investing activities. The sixth stage of the analysis examines the value factors that are directly related to intellectual and social and reputation capital, and also estimates the company's innovation premium, which is a monetary value of the value factors and reflects the growth rate that investors set when determining the purchase price of shares.

CONCLUSION

When applying the proposed methodology in practice, in particular, in the real conditions of activity of enterprises and analysts in the Republic of Uzbekistan, the assessment of the key characteristics of the economic sector may be complicated by too high a level of regulatory functions of the state, especially in the fuel and energy and related sectors of the economy.

The strategic position of a company also largely depends on the market for the products or services provided by it. The large share of government procurement and procurement related to the implementation of government programs makes adjustments to determine the strategic position of the company.

The distribution of cash flows may be affected by expenses associated with the company's implementation of social tasks, sometimes replacing the activities of budgetary or public organizations. This circumstance will directly affect the assessment of the company’s financial condition based on cash flows.

At the same time, when assessing the effectiveness of investment activities, the features of the distribution of cash flows, which may reduce the potential investment opportunities of the company, must be taken into account. All this directly or indirectly affects the fundamental factors of value formation and assessment of the company’s “innovation premium”.

Despite the above points, the application of the proposed methodology, taking into account appropriate adjustments, allows us to analyze the activities of digital economy companies based on a stakeholder approach based on public reporting data. It may be useful to analysts who evaluate a company's performance based on consolidated (integrated) financial statements.

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