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A new era: how businesses grow in digital reality

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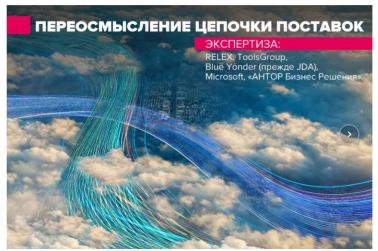**Irina Telitsyna** *Forbes Contributor*   **Dmitry Filonov** *Forbes Contributor*

How the pandemic affected business digitalization and what comes next

Even for experienced entrepreneurs whose companies have gone through several external and internal crises, the current situation in the economy has no analogues. The pandemic and related restrictions caused a record reduction in consumer demand - in the first quarter of 2020, according to McKinsey, for the first time since the 40s of the last century it fell by 40-50%. Rapid changes in the business environment under the influence of global trends - both technological and socio-demographic - even before the pandemic prompted companies to transform. The current situation has become a catalyst for these changes.

Kristina Tikhonova, President of Microsoft in Russia, notes that the current situation is unprecedented for businesses of any scale and industry. The path of digital transformation, which used to take several years, many went in a couple of months. "This is a very important stage for many organizations: as the world gets used to living in new conditions, the business adapts, becomes more digital and flexible, responding to the" new rules of the game. " Technology has become a key tool in the "reset" of enterprises, contributing to the development of innovation, even in traditional areas. We strive not only to provide the necessary technological tools to ensure business continuity, but also to provide our customers with the necessary support, provide the necessary technological tools to ensure business continuity and offer scenarios for the most effective digitalization. The vast ecosystem of our partners around the world helps us in this - companies that create their own business solutions on the basis of our technologies, and those who help to deploy and implement our products, "says Kristina Tikhonova. The expertise gained in this ecosystem can help businesses remain competitive in the current circumstances: optimize logistics, set up remote work for employees, ensure security, and much more. With new challenges, according to the president of Microsoft, new opportunities have come, and the lessons learned from these transformations, as well as the acquired skills, will contribute to the success of the business in the much longer term.

You need to change quickly. And, fortunately, with modern cloud technologies this is possible - most business tools can be used as services (SaaS - software as a service). We asked Microsoft partners what the market will be like after the pandemic, how coronavirus influenced the development of technological trends and how to prepare for a new reality. Insights on how to remain competitive in the current conditions of uncertainty are in our slide show.

ПЕРЕОСМЫСЛЕНИЕ ЦЕПОЧКИ ПОСТАВОК
ЭКСПЕРТИЗА:
RELEX, ToolsGroup,
Blue Yonder (прежде JDA),
Microsoft, «АНТОР Бизнес Решения»

Trend:

Digitalization became an urgent topic for supply chain management several years ago - without technology, this task, which became more and more complicated as globalization and changing consumer habits, could not be dealt with. More and more companies use artificial intelligence, machine learning, predictive analytics, the Internet of things and blockchain in forecasting demand, distributing goods and resources. According to BCG , leaders in digital supply chains have an operating margin of 40% higher, and they need 20% less working capital.

New challenges and answers to them:

The pandemic has seriously disrupted global supply chains. Complex and already cross-border logistics has been compounded by the speed of the changing epidemiological situation in different countries, problems with documents and payments due to remote work. "Many supply chains simply ended up broken and traditional forecasting methods stopped working," said Wayne Snyder, Vice President, Industrial Strategies, Blue Yonder (formerly JDA), a global leader in digital supply chain solutions. The company created Blue Yonder's COVID-19 Response Center, where information is exchanged online, experts from different companies share their forecasts and life hacks with each other: 40% of companies believe that it will take 3-6 months to restore the chains, 25% more than six months .

The need for serious investment has always been a barrier to introducing the latest technology in the supply chain. But the situation has changed. "A business loses money without them. Using machine learning algorithms makes the chain more manageable, "says Snyder. According to Blue Yonder, planning efficiency is growing by 60%, transportation costs can be reduced by 30%, and investment in the purchase of goods by 10%.

"The attitude towards technology has changed dramatically, demand has grown dramatically. Many business owners realized that they have nothing to rely on when making decisions in conditions of complete uncertainty, "said Francesco Stolfo, vice president of business development at ToolsGroup helping large companies optimize supply chain management with artificial intelligence and machine learning. Customers are more likely to seek specific situational solutions. For example, for McDonalds in Latin America, the reduction of orders and the inability to predict how much and what will be needed at what point became a serious challenge. Using the ToolsGroup tools, the company was able to see the situation with stocks in real time: for example, how many meat products, milk or rolls are in stock and where exactly - in stock, in this region, in the country. If earlier forecasts were based on a database for four years, now for making decisions the data for the last two days is more relevant. Ulabox, a Spanish online retailer, Faced with explosive demand for certain products - artificial intelligence helped to quickly reorient the order system and maintain the level of service. And for the Swiss manufacturer of kitchen equipment Franke, it was important to avoid supply disruptions in 50 regions of presence. ToolsGroup helped him quickly respond to all commercial changes: filtering demand, connecting factoring with partial closure, etc.