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SKILLS FOR EUROPEAN BUSINESS DEVELOPMENT IN DIGITAL ERA

Digital Advanced Era is gaining momentum today. There are objective reasons, significant advantages, and serious business challenges. The ongoing digital transformation creates some of the largest economic, political and social challenges for the European Union. Despite new opportunities, it is frequently perceived as a threat to traditional business models, current organizational structures, and well-established business operations. Economic question about the competitiveness and capabilities in new technologies are linked to needs of skills and knowledge developing in Europe. It is an incredible for exploring the processes. For Ukrainian researchers, this issue may be interesting in the context of the European integration and understanding of digitalization processes in the EU, comparing them with Ukrainian realities, and identifying possibilities for benchmarking of the European experience. The main aim of the paper is to focus on the skills necessary to managers to operate in a digital era.

There are no doubts that the nature of work changes, new jobs emerge while others disappear, so people need to gain new skills. Approximately 30% of the current jobs in the European Union may disappear over the next 25 years with the emergence of new professions requiring advanced digital skills [1]. Therefore, a critical element in the digital economy is to define and to acquire skills for business development in digital era. We are trying to focus on the skills critical for the EU's growth and mitigation of losses caused by the digital transformation (by cloud computing, big data, the Internet of Things and artificial intelligence.

An important factor to be taken into consideration is the fact that the society is not fully aware of the real situation. Digital business (or digital era, digital transformation) is taken for almost granted. But in reality the digital economy is highly concentrated in two countries (USA and China):

- 50% of global spending on IoT
- more than 75% of the cloud computing market
- 75% of all patents related to blockchain technologies [2].

Moreover:

- about 10 % of the EU labour force has no digital skills;
- 35 % of the EU labour does not have basic digital skills;
- about 28 % of the EU's internet users have no software-related skills [1].

Also it is important to understand that digital skills which can be defined as abilities to use digital devices, communication applications, and networks to find information are (to some extend) basic or consumer skills that are mechanically honed and do not require serious intellectual effort. While digital skills also mean abilities to manage information, it is a higher level skill, but it is still a basic skill in the digital age. The shift of value creation towards digital platforms, new security and standard solutions, big data usage and data quality call for more complex skills. According to UNCTAD Digital Economy Report 2019, the expansion of the Internet of Things and various data-driven business models will require specialists who can convert big data into information and knowledge that are:

- data scientist;
- data engineers;
- data architects and data visualizators [2].

And we're focusing on the ability to use business opportunities including the increasing amounts of data. These require broader skill sets, skills to combine analytical, software and information systems with business. Data analysts and scientists also need to be business savvy to help enterprises capture business opportunities from their analyses. Multiple skills that combine sound technical skills with entrepreneurial skills and vertical and business process management expertise are particularly important [3].

It is noteworthy that only 12% of EU enterprises used big data in 2018, 9% of EU enterprises - in 2016 [3]. That is, 88% and 91% did not use. Accordingly, the issue is not only about to capture business opportunities but skills to see the existing opportunities at least. That is why the EU awareness campaigns were oriented on alert the real picture:

– WATIFY - launched in 2014 with the goal to push people towards concrete action to create their digital start-up, or digitally transform their business;

– e-Skills for jobs and growth – launched in 2014 with an idea to strengthen competences and e-leadership;

– Start Up Europe Initiative to strengthen the environment for Web Entrepreneurs to start and stay in Europe.

In 2018, the vast majority (92 %) of EU enterprises with at least 10 persons employed used the internet 77 % of EU enterprises have a website. In 2018, 1 in 5 EU enterprises employed ICT specialists; the percentage of large enterprises employing ICT specialists (75 %) is more than 4 times higher than that for SMEs (18 %) [3]. The difference in big data and Internet usage statistics may be explained by an understanding of the benefits and personal routine of the latest one in life. Once upon a time, such breakthrough and unusual things became household. And big data or the Internet of Things are not conscious, and it is impossible to build a business model on the obscure.

That is a problem for the leaders of European companies in understanding the potential of artificial intelligence or data analytics. It is not just about that Europe needs an additional 20 million early stage entrepreneurs to close the gap with the US and China, but also about a high intensity of utilization of novel digital technologies (social, big data, mobile and cloud solutions) to improve business operations, invent new models in three directions:

– ability to reach out and partner with customers more effectively;

– inner processes;

– business models - the way value is created, delivered and captured.

The digital transformation from a European management angle should include strategic vision how to combine analytical, software and information systems with business. Skills for European business development in digital era refers to leadership in the new era, it does not matter traditional or digital business – the reality is changing in general.

The skills for European business development must combine:

- ICT user skills to apply systems as tools in support of own work. It can be common software tools or specialised tools supporting business functions within industry;

- skills required for researching, developing, designing, strategic planning, managing, producing, consulting, marketing, selling, integrating, installing, administering, maintaining, supporting and servicing ICT systems;

- business skills correspond to the capabilities to exploit opportunities provided by ICT; to ensure more efficient and effective performance of different types of organisations; to explore possibilities for new ways of conducting business and organisational processes; and to establish new businesses [3].

A little different set of skills is proposed by publication “E-Leadership Digital Skills for SMEs” of the EC [4]:

- strategic leadership skills to lead inter-disciplinary staff, and influence stakeholders across boundaries (functional, geographic);

– business savvy: innovate business and operating models, delivering value to organisations;

– digital savvy: envision and drive change for business performance, exploiting digital technology trends as innovation opportunities [4].

To summarize, it should be noted that the new era creates opportunities for all businesses, the question is to see these opportunities and successfully use them. Entrepreneurship and business may not be fundamentally changing at any time, but the tool usage requires understanding, if not details, so the overall potential and range of capabilities of this tool. In the digital age, digital skills (both basic and complex) are understanding how to use the tool. On the other hand, the strategic leadership skills and the business savvy.

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