

DIGITAL TRANSFORMATION OF BANKS BASED ON THE DEVELOPMENT AND APPLICATION OF A DIGITAL STRATEGY

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The digital transformation of banks requires an integrated approach based on the development and application of a digital strategy. Digital transformation covers all aspects of financial and credit activities, including bank management mechanisms, therefore, the digital transformation of the banking sector should be coordinated with other development strategies in order to develop solutions that contribute to maximum efficiency. The digital strategy should be aimed at solving four main tasks: the introduction of digital technologies, the transformation of the process formation of the cost of services, the financial aspect of digitalization, as well as a change in the organizational structure.

For the successful implementation of the digital strategy, it is necessary to coordinate the listed development areas, which largely depends on the operating model of the bank. There is no general operating model suitable for all banks, therefore, depending on the maturity of the bank, its structure, the services provided, various models for implementing a digital strategy are possible.

confederate model. This type of operating model is mainly applicable to large banks that are pursuing digital transformation gradually, in various areas of their activity. In such a situation, some departments are involved in the implementation of the digital strategy, independently regulating the flow of costs for digital technologies and applying new requirements for staff qualifications, while other departments may not participate in digital transformation. It is expected that in the future all employees of the bank will appreciate the benefits of digital transformation and also master it. An example of such an operating model is the transition to electronic document management: innovations are transferred from department to department and eventually implemented in the bank's operations on a regular basis.

Shared service model. If a company has already passed the stage of realizing the importance of digital transformation and has taken the first steps towards the implementation of a digital strategy, then with a relatively large bank size, you can use the so-called shared services model, based on the transfer of similar functions to one centralized department. The department responsible for the execution of certain operations becomes the center of common services. This model is similar to outsourcing, in which some functions are performed by an external counterparty. The main goals of this operating model are to improve the coordination of actions within the bank and rationalize business processes due to the absence of standard repetitive activities, and, consequently, reduce the cost of individual banking operations.

Model of the centers of strategic competences. The next stage in the development of the bank's operating model in the context of digital transformation is the formation of competence centers - structural organizational units that manage information systems and business processes by collecting and analyzing data and developing ways to use them as efficiently as possible. This element of the organizational structure will allow coordinating the implementation of the digital strategy, predicting market trends and positioning the bank in this market segment in order to increase its competitiveness.

Digital operating model. This model can be implemented in banks undergoing the final stages of digital transformation; as a rule, the model is suitable for the so-called network players, that is, single-industry organizations. The hallmark of the digital operating model is the digital platform for operations. Currently, this model is used either in companies providing mobile payment systems services or in banks based on a modern online banking system.

In general, the banking sector is focused on the development of operating models, as over time an increasing number of customers realize that in order to receive a variety of banking products and services, it is not necessary to go to a bank branch, but a person can use the achievements of digital technologies. The introduction of digital financial innovations in the banking sector of the economy makes it relevant to create a common space that unites the banking business and the digital environment.

Experts identify three main approaches to the process of digital transformation of the banking sector.

The first approach, followed by 26% of the world's banks, is based on the introduction of digital technologies as a separate project, which does not involve a full-scale digital transformation. At the same time, digital transformation is being carried out gradually, based on long-term planning and implementation of pilot projects.

The second approach is implemented through the creation of a subsidiary, which was originally built to meet the needs of the digital economy. This is the most popular digital transformation method, used by 42% of banks. The advantages of this approach are a clear focus on customer needs in the long term; creation of teams within the organization, including specialists in various fields (information technology, software, analytics, marketing), which achieves high flexibility of the organizational structure; and the opportunity to try new lines of business without compromising existing ones.

The third approach to the digital transformation of banks is based on the recognition of digital technologies as the main value of the organization. This method can be combined with other approaches, but it involves a more complete implementation of the digital strategy through the transformation of all internal and external processes of the bank. 32% of banks have begun implementing digital transformation using this approach.

According to experts, digital transformation in the banking sector can take place in five main stages.

I stage. Emergence of digital channels: internet banking, mobile banking, chatbots. A user who wants to interact with the bank through any available channels at a convenient time is at the center of the ecosystem.

II stage. Emergence of digital products: big data, contactless payments, virtual cards, artificial intelligence, technology. With the help of modern software, E2E (end to end) products are created, designed to meet the financial needs of customers within 24 hours.

III stage. Creation of a full cycle of digital services: banks not only add digital services to traditional products, but also create new digital businesses, completely change business models, expand business boundaries.

IV stage. Creation of a "digital brain". The Digital Brain continuously and automatically examines data across all business segments, departments, product lines and services, giving the organization a deeper understanding of its capabilities.