

Digital Transformation on the Example of the Chinese Company Shanghai Anshuo Information Technology Co., Ltd. When Entering the International Market

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Abstract – The intense development and diffusion of digital technologies around the world in recent years has greatly changed the face of key sectors of the economy. More and more companies are looking to digitalize their business processes. This significantly reduces transaction costs and increases the volume of economic activity. Global competition is emerging on the Internet. In these conditions, the ability to process and analyze large amounts of data becomes the main factor of competitive advantage for the company. Thus, business development is determined by the ability to very quickly respond to customer needs and quickly bring new products and services to the market through electronic sales channels.

Keywords-component; digital revolution, digitalization, international trade, digital technologies, supply chains, transformation, regulation.

1 INTRODUCTION

Today, the market value of many companies is largely determined by “digital assets,” such as the size and loyalty of the Internet audience, brand recognition and reputation.

Today, strong market changes are associated with the proliferation of digital business models. These models include [1]:

- digital platforms and ecosystems that accelerate and reduce the cost of consumer access to goods and services;
- new financing systems, including crowdfunding;
- monetization of personal data and profiles;
- service models of resource provision.

At the same time, the scope for developing new business models varies greatly across economic sectors. In financial services, the pandemic has only exacerbated this trend. Thus, the goal of digital technology for business is to meet the growing needs of companies and the growing expectations of customers. Digital transformation of business affects various areas of companies' activities - these are business processes, strategic management, marketing, creation of products, services, etc. In order for digitalization to be implemented in a company, it is necessary to clearly develop plans, form priority business tasks [2].

Digital transformation is a qualitative change in business processes or ways of carrying out economic activities (business models) as a result of the introduction of digital technologies, leading to significant socio-economic effects [3].

Today, digital technologies are developing so rapidly and unpredictably that it makes it almost impossible to foresee the consequences of their spread, especially in the long term. This makes it difficult to measure and describe the digital transformation process as a whole.

Digital transformation transforms many horizontal and vertical business processes, optimizes business operations, and changes the formats of interaction between participants in production processes. New technological solutions require investments in improving business processes in companies, developing the competencies of employees, and a culture of working with the latest digital solutions.

The most important stage of digital transformation is the growth in the development of advanced technological areas, including artificial intelligence, robotics, blockchain, virtual reality technologies and many others. These technologies provide consumers with unique opportunities, which ultimately affects the positive dynamics of investments in new generation technologies (Figure 1). For several months of the pandemic, a huge breakthrough was made in terms of digitalization of internal business processes of companies. The introduction of the latest technologies has intensified, they have become a quick and effective response to the needs of customers [4].



Figure 1. Dynamics of spending on new and traditional ICT in the world, billions of dollars

Remote work has changed the way people think about a comfortable and safe environment to live. Digital technologies have made it possible for the consumer to receive a fairly wide range of services, especially during the lag. Over the past year, the volume of e-commerce has grown by 25%, online food delivery - by 27%, distance sports - by 30%, training - by 35% [3].

In recent years, the digital economy has gradually become one of the most dynamic sectors of the Chinese economy, which helps to achieve sufficiently high rates of economic growth.

The Chinese government attaches great importance to the development of the digital economy. China's digital economy is based on three important components (Table 1).

Table 1. Components of the digital economy in China

Components	characteristic
new generation information technology	5G networks, artificial intelligence, big data centers, the industrial Internet, intercity high-speed railways, urban rail transport, and ultra-high voltage technologies and charging stations for new energy vehicles.
new demand for digitalization	demand for digitalization, internetization and intellectualization of industries related to the digital economy, demand for digital government.
new mechanisms	integration of new devices with areas such as ICT, the production of high-tech equipment and the provision of modern services.

During the 14th five-year plan (2021-2025), the role and importance of China's digital economy will continue to grow. It will be the most important source of economic development, the main tool in increasing the total factor productivity, the engine of the integrated development of the spheres of production and services. Digital consumption will spread to new areas of the economy [6].

The digital economy will continue to create new consumption patterns across the entire economic system. Digital integration will accelerate, the digital ecosystem will expand into many areas, creating new consumption scenarios. Digital chains will strengthen the stability and security of the global industrial division of labor, and digital resource management will become the main way of distributing wealth.

2 METHODS

For the most complete study of the material, the methods of normative analysis, the method of generalization, and comparative analysis were used; systems approach; method of grouping and processing information.

3 ANALYSIS OF THE BUSINESS OF SHANGHAI ANSHUO INFORMATION TECHNOLOGY CO

Shanghai Anshuo was founded on September 25, 2020. Since its foundation, the company has specialized in business consulting, IT systems implementation, and content services in the field of credit risk management. As a leader in credit risk management systems in the domestic banking industry. Information has provided credit management system advice, products, implementation and maintenance services to more than 200 financial institutions in various regions and types of China [6].

Shanghai Anshuo's mission has always been to become the leading financial enterprise management platform and Internet service provider in the Asia-Pacific region. To achieve the

company's original mission, Shanghai Anshuo has set a long-term strategic goal since its foundation.

From the initial consultation period to the delivery deadline, Shanghai Anshuo should be responsible for providing customers with high-quality services.

Shanghai Anshuo Information's revenue in 2020 was \$ 112.8 million (Figure 2) [5].

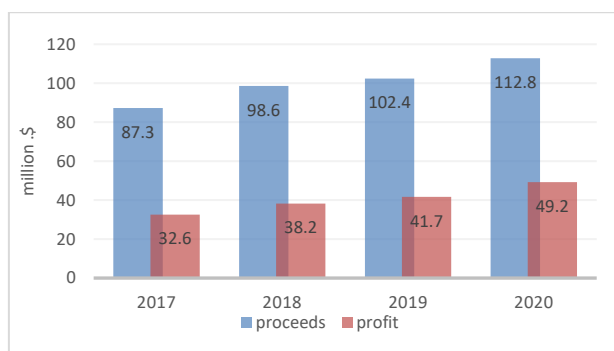


Figure 2. Revenue of Shanghai Anshuo Information in 2017-2020 [5]

Thus, Shanghai Anshuo Information's revenue and profits are growing every year, which means for the company to continue its activities in the Chinese market and expand its borders in the international market with new offerings. The experience gained during the period of self-isolation allowed Shanghai Anshuo to do a lot for remote customer service in those areas of consulting where this was possible: created secure cloud storage of scanned copies of documents, expanded the use of online video communication, organized authorized access and electronic document management using electronic digital signature [8].

Shanghai Anshuo will always maintain a good financial position and implement national financial management standards in strict accordance with national regulations. At the same time, since its founding, Shanghai Anshuo has been well-known in the capital market and has consistently received capital market investments. To meet the development needs of Shanghai Anshuo, Shanghai Anshuo needs to attract investment in the capital market within one year. They meet because of the growing demand for funds [7].

Since its founding, Shanghai Anshuo has been engaged in independent research and development of management software. 30% of the revenue will be invested in research and development expenses each year. Compared to the same industry, Shanghai Anshuo invests a very large share in research and development, which also improves Shanghai Anshuo's ability to provide both personalization and humanization when providing IT services [9].

Shanghai Anshuo Information Company specializes in providing professional software products, as well as consulting and implementation services for clients of financial institutions. The company's products and services have the largest number of users of the bank, including heads of the head office, heads and employees of related business units of the head office, heads and heads of branches, as well as employees of related business units.

The main activity of Shanghai Anshuo is to provide banks with a "package" of general credit risk management solutions, including:

1. Business consulting on credit risk management and project planning
2. Selection of a series of standard credit risk management products
3. Individual identification, extended development and implementation of credit risk management products
4. Transfer of knowledge about credit risk management solutions (including consulting results, product applications, customized developments)
5. Continuous maintenance of credit risk management solutions (including model validation optimization, management system improvement, product updates, application improvements, external data maintenance, system support and maintenance, etc.).
6. Shanghai Anshuo focuses on the area of credit and credit risk management.
7. Focusing on the development of credit processes and risk management systems, business consulting and the provision of content services, the company is a leading domestic manufacturer of credit management systems with the highest market share;
8. Past customer service records prove that Shanghai Anshuo can provide customers with high-quality services and maintain long-term cooperative relationships [5].

4 DIGITAL TRANSFORMATION ON THE EXAMPLE OF THE CHINESE COMPANY SHANGHAI ANSHUO INFORMATION TECHNOLOGY

China, a country with enormous human and financial resources, as well as claiming the status of an innovative power and a technological leader, has been actively promoting the digitalization of the economy at the state level over the past years.

Today, data and information are becoming the new factor of production, the main tool of digital transformation and the bridge connecting the real and digital worlds. And the analysis and use of data is the key to improving efficiency. Since 2015, the State Strategy for Working with Big Data has been implemented in the People's Republic of China. Big data is considered by China as a strategic resource that will help in promoting the development of the economy and improving its efficiency [8].

Today, the company uses digital transformation programs in its activities. Basically, these are analytical programs that contribute to the management of strategy in the company.

The digital transformation program used by the company is a set of pilot projects instead of a comprehensive digital technology program.

To scale digital technologies, the company lacks competent specialists and the maturity of current processes.

This is the main obstacle and hinders the development of transformation processes within the company.

Therefore, in order to ensure the successful development of the company's business, despite the constantly changing market conditions, the management needs to agree with the rest of the management on the path of further development.

The management of the company needs to develop a clear strategy for the development of the company.

The company must implement an online platform that will provide clients with quality financial services in obtaining better quality strategic advice. It should be a tool for leaders and other key strategic decision makers who need a reliable objective resource [7].

The company will need to assess the need to build dedicated teams to transform its business. This means that the company should create two active teams: transformation and management of the company, coordinating their actions taking into account the solution of operational and strategic tasks.

Information technology services, as well as corporate network stocks (file banks, Web portals, etc.), cloud services, data banks and corporate Web sites, are usually served by highly qualified specialists. Therefore, the company's business has its own specifics, and it always needs highly qualified programmers and software developers to create its own digital technologies.

Such highly qualified employees are very much needed by the company to optimize work processes, primarily when creating important automation software for the constant work of employees using a database in order to reduce the time spent searching for the necessary information, which reduces the loss of a very large time for contracting and other company affairs.

Having very highly qualified and reliable employees in your company, you can no longer worry about protecting your secret information, which is under reliable protection. You can even create an internal database within the campaign itself to make it easier for your employees to find the information they need. And in order to avoid leakage of all kinds of classified information, each of the firm's specialists must deal with the settings in their server rooms autonomously, without involving other specialists in the campaign software.

For a company in the growth market, it is necessary [8]:

- maintain your position and market share;
- invest in the business in order to support the growth of the future;
- look for ways to gain a competitive advantage;
- differentiate your products.

In the company's growth strategy, it is necessary to use the Strategy of holding the position and maintaining the market share in the industry. The growth strategy will allow the company to expand its business in Russia. Growth can be achieved through sales of financial and insurance services through Internet sites.

Shanghai Anshuo's business growth plan should be aimed at expanding its presence in international markets and increasing the range of services.

Common areas of strategic growth initiatives may include:

- attracting investment;
- growth in the number of employees;
- expansion of existing office space;
- adding business branches;
- expansion to new major cities;
- expanding the range of financial and insurance services;
- creation of an Internet site in the country of presence.

5 CONCLUSION AND RESULTS

Let's summarize. The main reason Shanghai Anshuo is pursuing digital transformation is to maintain and improve its competitiveness in the international market. Digital transformation brings Shanghai Anshuo the following benefits:

- accelerating the optimization of business processes, reducing costs;
- increasing the company's profits;
- interaction with clients to increase the value of the consulting and financial services created by the company;
- increasing the level of control and quality of business process analytics.

Thus, today Chinese companies have entered the stage of effective implementation and integration into the world economy. Companies are expanding their boundaries and expanding their business by entering global networks. China is becoming an increasingly important global digital economy and is trying to continue the development of the digital economy in new and more advanced areas, making it a leader in the global market.

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