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## **DIGITAL TRANSFORMATION IN SMES: OVERCOMING BARRIERS TO TECHNOLOGY ADOPTION**

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### **Annotatsiya:**

Small and medium-sized enterprises occupy an important place in the economy of Uzbekistan. In the process of the country's transition to the digital economy, the involvement of these enterprises in digital transformation is necessary for economic development. However, in the process of adopting technology, these small and medium-sized enterprises face various obstacles. Below is an overview of these obstacles and ways to overcome them in our article.

**Keywords:** medium-sized enterprises, economy, investing, digital technologies, businesses.

### **Introduction:**

Digital transformation is not only a means of increasing competitiveness for small and medium-sized enterprises, but also an important step towards increasing economic efficiency. Overcoming barriers to technology adoption can be achieved through collaborative efforts of the state, business community, and education system. This will help ensure long-term sustainable development for the economy of Uzbekistan.

### **Literature analysis**

Digital technologies are important in achieving economic efficiency is significant. They are new ways and opportunities for a prosperous future creates, in addition, they also set new tasks. However, digital technology with the brightness and efficiency of its platforms although surprised, they are still in high productivity growth so far did not fully deliver the expected dividend. Indeed, in the last two decades growth in gross productivity has slowed in many developing economies. As a result, economic growth had a downward trend. Because today for the full-fledged implementation of the capabilities of smart machines, it is necessary to



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companies that want to apply and their professionals also be smart must. Digital transformation in the economies of developing countries uneven participation of economic entities in the new opportunities created cases are observed. Most industries and firms, labor and society lag behind across different layers [2,4].

### Research methodology

New digital technologies are essential for the growth of the economy but many small and medium-sized enterprises do not have sufficient funds to introduce new technologies. Investing in IT infrastructure, software, or digital tools requires significant costs, or there is a lack of technical knowledge and experience. Many small and medium-sized enterprises do not have the qualified specialists necessary for the introduction of modern technologies. Hiring IT professionals or training existing employees is a challenge.

For digital transformation, it is important to have a quality internet connection and modern technologies. However, in some regions of Uzbekistan, internet quality is low and infrastructure is insufficiently developed. Business leaders who are accustomed to traditional business methods may react conservatively to changes. Distrust of technology also leads to opposition.

Some small and medium-sized enterprises, especially those who continue to work with traditional methods, may be resistant to digital technology. To change this, it is necessary to explain the benefits and importance of digital transformation, to develop leadership to introduce transformation. Organization of trainings and seminars on the assimilation of digital technologies for heads and employees of the enterprise. This should be done, in particular, in areas such as ERP systems, e-commerce and data analysis.

Some small and medium-sized enterprises approach digital transformation without a clear plan, which leads to waste of resources and improperly executed technological initiatives. Even if one wants to invest in digital technology, it can be difficult to secure financing due to the risk taken by creditors or investors.



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### Analysis and results

It is one of the pressing issues of today that organizations and enterprises radically change their activities using digital technologies. It allows us to optimize business processes, improve the quality of products and services, and more efficiently meet customer needs through the introduction of technologies. Digital transformation involves not only the introduction of technology, but also the transformation of the organization's strategy, culture, and customer engagement approaches.

It is very important to develop a clear digital strategy that is suitable for business purposes. This strategy should identify key areas where technology can have the most impact and include a roadmap for step-by-step implementation and scale expansion. Blue businesses can explore alternative funding sources, including venture capital, crowdfunding, and government-backed loans designed to support innovation and technology implementation.

### Conclusions and suggestions

The use of digital technologies allows small and medium-sized businesses to increase efficiency, reduce costs and strengthen competitiveness. These technologies help to automate business processes, improve customer service and discover new markets. However, this process requires the right resources, skilled staff and strong security measures to be successful.

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