# Polytechnic University professor speaks about the development of cooperation with Thailand and digitalization of production during the pandemic

Polytechnic University is developing international cooperation in various areas: the geography of the SPbPU partner network expands from year to year. Innovative developments are one of the most promising areas of interaction with foreign regions. These days, our university is actively working with the King Mongkut's Institute of Technology Ladkrabang (KMITL), Bangkok, Thailand: Russian and foreign colleagues are negotiating on the process of digitalization of the service sector between the two countries in the complicated socio-economic situation in the world caused by the new coronavirus infection. Sergey BARYKIN, professor at the Higher School of Service and Trade at IIME&T, spoke about drivers of new technologies distribution, digital design, and the nearest and long-term prospects. Read about this and not only in our interview.



## - Good afternoon, Sergey! Please tell us why Thailand?

- Our colleagues contacted the King Mongkut's Ladkrabang Institute of Technology through SPbPU international services. Due to the commonality of scientific

interests, mutual cooperation ensued. Together with the Thailand University, we submitted a joint application for an empirical study aimed at exploring the processes of digitalization of the service sector between our countries. Given the economic situation in the world caused by coronavirus, this is especially essential.

## - Can you tell in a nutshell what you plan to get as a result?

- In the future, we plan to get a model of interaction with the client based on the digital transformation of customer service in a difficult economic situation. This model will allow us to generate the most complete information about the consumer, which will make it possible to be in a continuous dialogue with the client and personalize the service.

## - What do Thailand's colleagues think about this?

- Our foreign colleagues are extremely interested in cooperation in digital transformation of economies, service and trade. During the recent negotiations, we decided to continue applying for various competitions. The first of them will most likely be a competition for the best research projects conducted by organizations participating in the joint research program "Scientific and Innovation Space of East Asia". The research is funded by the international E-Asia JRP Program. One of its participants is the Russian Foundation for Fundamental Research (RFFR).

# - The digitalization of the service sector is a fairly new topic. Can you reveal it a bit?

- Trade and services are characterized by a high level of digital activity. Speaking about the digitalization of the service sector, we should start with the drivers of the new technologies spread. Lately, they have been called "digital." It is important not to confuse the digitalization of the service sector with new manufacturing technologies. The latter covers the design and simulation models at the stage of the production process. And the digitalization of retail chains and digital supply chains involves the installation of sensors and mobile communications, which together provide the entire informational picture of the movement of material flow.

#### - And what does it give?

- In our case, cheaper sensors and mobile communications acted as a driver of the digital transformation of the service sector. Now you can inform the client about the movement of goods, create platforms for cooperation of logistics operators, improve the quality of information analysis made by distribution network operators. The main thing that new technologies for obtaining and processing information provide for is radical increase and maximization of the adaptation of the service sector to constantly changing, and often getting more complex, customer requirements.



#### - Am I right in understanding that this is about improving the customercentric process?

- Absolutely. But that's not all: in addition to the matter of how to turn service delivery into the most perfect customer-centric process, there is another one that applies to business. How can both parties involved in the supply chain be guaranteed the fulfillment of their obligations to deliver and pay for goods?

## - And how's that?

- In order to give guarantees to the participants of supply chains, a system of smart contracts has appeared. It captures the obligations of the parties to then assess the quality of contract performance by all parties. The formation of a chain of information about the movement of goods, similar to digital financial technology, is the basis of a blockage logistics system. In simple words, it is when any person admitted to the information learns the whole history of the appearance of goods on the market and the movement from the supplier to the consumer of a commodity unit. However, that's not all. There are models of digital twins of supply chains.

## - But digital twins are something from production, aren't they?

- Specifically, these digital twins are based on modern developments in simulation

modeling. There is no direct analogy to digital twins in production. The supply chain is a very complex configuration, the optimization of which should take into account a large number of factors related to the participants in the supply chain in different countries with different legal practices. In response to the demand for guarantees, the European Logistics Platform is developing in the context of political risks, which now include the provision of political guarantees to international trade participants.

#### - What changes in the system can we see now?

- Now it is important to understand that the trade sphere is undergoing a fundamental transformation, namely, digital transformation, when the place of intermediaries is occupied by digital platforms of information exchange with the client; the competition is inferior to cooperation based on digital platforms, and the advertising nature of information becomes more specific and tied to the characteristics of the goods which the client requests, which is described by the term customization in the conditions of satisfaction of client's individual preferences.

## - And, of course, coronavirus contributed to the process.

- The coronavirus pandemic has accelerated the process of digital transformation of the service by engaging digital technologies in the improvement of the quality of service delivery based on data exchange, information analysis, development of flow management models, resources, goods and services to provide the consumers with not only everything they need, but also to meet individual requests with minimal response time and adaptation of trade networks.

# - No matter what, how do you see the prospects for cooperation between Russia and Thailand?

- It is gratifying that the interaction between Russia and Thailand strengthens our country's position in the forefront of the introduction of digital technologies, including in the service sector.

# - Sergey, thank you for an interesting interview! We wish you great success and productive cooperation with foreign colleagues!

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