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### Enhance Digital Transformation at Businesses in Hai Phong City

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#### Abstract

Determining digital transformation as an important driving force behind development, Hai Phong has set targets higher than the national average. This city is actively preparing for the digital transformation process and setting itself as a model for localities to implement the national strategy on digital transformation. In 2023, Hai Phong implemented a digital transformation plan with a focus on direction and prioritization of resources to achieve important goals. In

particular, target groups related to digital government, digital economy, and digital society have been identified. This article focuses on analyzing the current state of digital transformation in Hai Phong, especially in businesses, and the challenges that appear during the implementation process. From there, propose some solutions to achieve the set goals, especially those related to digital government and the digital economy.

**Keywords:** Digital Transformation, Digital Economy, Enterprise, Hai Phong City

#### 1. Introduction

Digital transformation has become one of the top priorities in the process of industrialization and modernization of both the country and Hai Phong City. After three years, the COVID-19 pandemic has caused a serious impact on the economy and businesses in Hai Phong. To face this challenge, the city has implemented a series of measures to support small and medium-sized enterprises to restore and improve their competitiveness, helping them become stronger in the context of unstable economic conditions. Cease.

Within this framework, Hai Phong City has focused on supporting businesses to access the city's digital transformation policy. This includes providing direct support through digital transformation solution packages, which are considered an important opportunity to help businesses transform and adapt to ongoing digital economic trends. This is considered an important "leverage" to help businesses seize opportunities from modern digital platforms while maintaining their movement in an increasingly innovative digital economic environment.

#### 2. Current Status of Digital Transformation at Businesses in Hai Phong City

Currently, after implementation, Hai Phong City has achieved important progress in digital transformation. Implementation results in several areas prioritized by the Government, such as building population data and implementing electronic invoices (ranked 3rd out of 6 provinces/cities selected for the first phase pilot). Hai Phong also ranked first when fully implementing 4 functions of the land data management system and was the first locality to upgrade driver's licenses to level 4 across the country. This means that the city has completed 6/22 key tasks by the instructions of the Ministry of Information and Communications, including the national digital platform, bringing agricultural households to the e-commerce platform, and bringing agricultural households to the e-commerce platform. Cloud computing platform, promoting digital technology businesses, and community digital technology groups.

Improving digital infrastructure is the city's top priority. Hai Phong has put into operation 41 new 4G technology BTS stations, bringing the total number of stations to 2,362 stations throughout the area. In addition, 7 5G technology BTS stations have been deployed for testing at Tan Vu Port, Dinh Vu Port, and the city center area. In particular, in July 2023, the Military Industry and Telecommunications Group successfully tested a 5G mobile network exclusively for the Pegatron factory - DEEP C Industrial Park Hai Phong 2. This factory, smart and Automation based on a 5G connection is an important step in developing telecommunications infrastructure and applying technology in smart manufacturing in the city.

Digital data development and digital platform applications are given special attention in Hai Phong, with the belief that this is an important resource that opens up new development opportunities. In the field of natural resources and environment, the city

has deployed it urgently and effectively. The land database, in a short time, has been updated with more than 637 thousand spatial data and nearly 224 thousand land plots containing attribute information. This has created conditions for linking land data with information systems to handle administrative procedures. Within nearly 1 year, the system has received and processed more than 110 thousand online applications, bringing convenience to people and businesses in the process of handling administrative procedures.

For the 5 focus areas that the city has chosen, focusing resources on implementing the digital transformation task has brought positive results during the implementation process. In the health sector, Hai Phong has promoted the implementation of health insurance medical examination and treatment through citizen identification cards with chips. Currently, there are nearly 958 thousand cases of synchronizing citizen identification cards from the national population database with valid Health Insurance cards. 139 Health Insurance medical examination and treatment facilities look up Health Insurance card information using citizen identification, and all hospitals deploy hospital management software.

In the field of Education and Training, the industry database system is being actively deployed, with more than 800 educational institutions, 32,000 teachers, and 521,000 students with unique identifiers. Using electronic documents, electronic transcripts, and electronic grade books gradually replaces documents and paper documents. The Construction industry also focuses on deploying a planning database with 5,000 planning maps and testing a city planning information portal. Meanwhile, the Transport sector has upgraded the traffic control center, deployed surveillance cameras, and handled fines at 5 intersections in the city, bringing positive results and contributions. To ensure traffic order and safety.

Notably, promoting the use of online public services has created significant changes. Currently, Hai Phong ranks among the localities with the highest rate of online applications in the country, with the rate currently reaching more than 90%, a significant increase compared to 2021 when it only reached 18%. The city's DTI digital transformation index has improved, in 2022 Hai Phong climbed to 14th place/63 provinces and cities, up 7 places compared to 2020. At the same time, digital transformation involves implementing Currently Project 06, with more than 1.7 million authenticated demographic information, reaching 100% of adults with electronic identification accounts. More importantly, digital transformation is increasingly touching people's daily lives, bringing many conveniences and creating new development opportunities in all fields and aspects of society.

However, along with positive results, digital transformation in Hai Phong City, especially businesses, also faces some difficulties. Unequal awareness among agencies, units, departments, and localities, along with unclear benefits to the people, has created a lack of active participation. The unclear division of duties between central and local ministries, as well as the fact that central ministries have not opened data and have not issued models, standards, and norms for data construction, are all challenges. Set formula. Many national digital platforms have not been deployed or lack a roadmap and hierarchy for local implementation. There is also no common model for deploying big data and it is difficult to popularize digital devices for the people.

Another aspect of the difficulty is human resources, especially specialized human resources with deep expertise in performing digital transformation tasks. Hai Phong city is facing a shortage of both quantity and quality in this human resource. The majority of staff working as consultants on information technology and digital transformation at agencies only perform part-time and part-time duties, making it difficult to proactively advise and implement tasks and tasks. Related to digital transformation at agencies, units, and authorities. There are also many times when there is confusion in implementing tasks. Currently, the State does not have specific regulations on specialized staff to implement digital transformation and information security in state agencies, and current mechanisms and policies do not create favorable conditions for the collection of information. Attract information technology human resources to work in state agencies.

In addition, the current legal system for implementing tasks related to digital transformation is limited and inadequate. Specifically, technical and economic standards and norms on digital transformation have many shortcomings.

In state agencies and authorities, the task of digital transformation is given priority and special attention for implementation. However, in the business sector, especially small and medium-sized enterprises, awareness of digital transformation is not complete and there is not enough investment. Many businesses are still skeptical about the high cost of digital transformation, concerned about the security of internal information and business secrets, and do not have a specific direction and roadmap to implement digital transformation in their businesses.

To solve this problem, Mr. Bui Thanh Tung, Chairman of the City Union of Science and Technology Associations and a member of the VCCI Hai Phong consulting group, mentioned the difficulty in assessing the value of the digital economy. In developing Resolution 03-NQ/TU of the Standing Committee of the City Party Committee, the city's advisory agency encountered difficulties in evaluating indicators related to digital economic value and determining how to calculate contribution value. Contribution as well as the proportion of the digital economy in local GRDP. Mr. Tung emphasized that to achieve the goals in plan 174, high determination and effort are needed, and unified attention is needed from the central agency on assessment methods and sets of indicators.

Regarding the second issue of digital transformation in businesses, according to the first quarter survey of VCCI Hai Phong, 17.17% of small and medium-sized enterprises in the area have not expressed the need for support in implementing transformation solutions. change number; 20.92% of businesses do not know about mechanisms and policies related to digital transformation; 47.28% of businesses are in need or implementing digital transformation but have not received support; 14.64% of businesses undergoing digital transformation have received support. Aggregating these data shows that many small and medium-sized businesses are still facing confusion or are not interested in implementing digital transformation solutions. In addition, the rate of support from the Central Government and the city in the process of implementing digital transformation is lower than expected.

Facing difficulties, businesses face challenges in investment costs, applying new technology, changing business habits and practices, lack of human resources, digital technology

infrastructure, and lack of information. News about digital technology. For Vietnamese businesses in general and especially businesses in Hai Phong, the digital transformation process faces many challenges that require flexible solutions to achieve positive results.

One of the important issues is technology obstacles. Digital transformation requires the integration of technology into business operations, and this places demands on technical expertise and human resources. Vietnam is still facing a technology gap compared to other countries, lacking the ability to grasp core technologies of digital transformation. To be successful, businesses need to have the right information technology infrastructure, including hardware and software, and this poses a big challenge for small and medium-sized businesses.

Digital transformation also poses requirements for quality human resources. Mastering new technology requires human resources with appropriate qualifications and skills, and this is also a difficult aspect, especially for small and medium-sized enterprises. Demand is increasing, but the domestic information technology training program cannot meet it sufficiently.

The next challenge is about investment capital. Digital transformation requires large investments from both finance and human resources. However, uncertainty about effectiveness, risk of failure, along financial pressure have created major barriers for Vietnamese businesses, especially small and medium-sized enterprises. "cloud computing" is often their choice to minimize investment costs in information technology infrastructure.

Finally, challenges from business awareness are also an important aspect. Digital transformation affects the entire organization and business operations, placing great pressure on awareness of the importance of digital transformation for business development. A change in thinking from traditional leadership and business strategies to an effective digital technology business model is the key to starting the digital transformation process successfully.

Therefore, in the context of Resolution 45 of the Politburo and the Government's determination to develop Hai Phong into a northern economic center and smart city, Hai Phong's digital economy is in the process of positive transformation. The city focuses on proactively implementing digital transformation in the field of industrial production, focusing on building smart strategies and organizational structures, smart factories and operations, smart product creation, develop data services and digital skills for workers. The city is also testing and controlling new technologies, products, services, and business models from the fourth industrial revolution. Although there has been a shift of businesses and investors, many opportunities in the digital economy have not yet been fully exploited. Hai Phong is also striving to become a strong locality in the information technology industry in the Northern key economic region, with exported software products and contributing to the development of the Northern region.

### **3. Some Solutions to Enhance Digital Transformation at Businesses in Hai Phong City**

Hai Phong has determined that digital transformation plays an important role in promoting socio-economic development and is an opportunity for the city to create a strong breakthrough. To overcome difficulties and resolve obstacles in the process of implementing digital

transformation, the city is proposing a series of specific solutions.

*Firstly*, it is necessary to increase awareness of digital transformation among officials, leaders, and managers through regular dissemination measures and propaganda of the Party and State's policies on e-Government and transformation. Number. At the same time, the building of a legal framework to encourage the piloting of business processes and public services based on digital data and digital citizenship needs to be promoted, and legal regulations should be adjusted to ensure completeness. Enough and clearly.

This requires commitment from Party committees at all levels, government leaders, state management agencies, Fatherland Front organizations, socio-political organizations, social organizations, and businesses, as they must consider it their responsibility to achieve this goal.

*Second*, it is necessary to strengthen digital transformation skills for science and technology officials and civil servants. The first important step is to identify the digital skills gap and design an advanced training plan for science and technology staff involved in the digital transformation process. At the same time, developing synchronous infrastructure, especially information and telecommunications infrastructure, is important to create a foundation for digital transformation and development of the digital economy and digital society.

*Third*, it is necessary to focus on building and developing digital data, while promoting the development of digital applications. Digital data is considered the first important factor in the digital transformation process. To ensure the success of digital transformation, the city needs to develop a specific strategy that is consistent with the national data strategy, while adhering to the principle of one-time data collection. On the other hand, determining the transformation model and selecting digital applications is important to demonstrate the digital transformation process in each field.

Hai Phong City, with the largest information technology human resource in the country, needs to focus on developing digital applications on three pillars: digital government, digital economy, and digital society. In particular, priority will be given to the development of digital applications in city government operations, to promote the process of building e-government and increase transparency in transactions with state agencies. And public services.

*Fourth*, it is important to focus on training and developing high-quality digital human resources. The city needs to establish specific policies to attract high-quality human resources in digital technology, especially domestic and foreign digital technology experts. Educational institutions in the area also need to innovate educational content and programs to adapt to the developing science and technology environment and include digital skills content in the general education program.

*Fifth*, it is necessary to increase financial resources to invest in science and technology development. The city needs to introduce breakthroughs in technology development management and the science and technology market. During this process, it is necessary to identify priority areas and set out specific projects, programs, and action plans to mobilize and increase resources for investment in science and technology.

*Sixth*, information safety and security is a key factor in the digital transformation process. Ensuring information security is a big challenge and should be a top priority in digital transformation. The City has developed and completed regulations and policies on information security, as well as deployed training activities to raise awareness and the ability to operate information security for the user community.

At the same time, strengthen technical solutions to ensure the safety of key information systems. Accordingly, information, propaganda, and guidance on measures to ensure cyber security are deployed to each cadre, civil servant, and public employee through forms such as training on cyber information security for 100 people. % affiliated units; Issue documents requiring tightening network security during holidays.

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