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The need for digital transformation in business

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ABSTRACT

There was a time in business, where business as usual was good enough. Now no more. Where we are going good enough is dead and dying. In a world where everything is connected, there is only one major space to innovate, which is the digital transformations inside the organization. The organizations which are not digitally transforming are getting out of business. The research paper aims to identify, describe the impact of digital transformation of business in India and describe the key drivers of strategic business management development in the light of the recent waves of digital transformation. This research paper presents an overview of the existing literature, which is there concerning digital transformation. The research results from professional associations as well as the existing body of the recognized publishers were considered for making the research. Furthermore, we have conducted expert interviews as well as the market data where it was available.

Keywords— digital transformation, digital transformation framework, innovation

1. INTRODUCTION

The research which we have conducted has revealed that digital transformation is a global phenomenon. There is a huge difference between the various countries in terms of digital transformation. There is a huge gap which is coming between the growth at which technology is exponentially growing. The individuals are ready to adopt these technologies. The businesses are much lagging. The government and the public policies are way behind this. The organizations which can close these gaps is the winner. Our research is primarily focusing on all the parameters which are leading to this disruption. If the organizations can frame a proper digital transformation strategy or a proper digital transformation framework then the organizations will be able to implement the digital transformation in a much easier manner. Our research has concluded that the rate at which the digital transformation success depends upon the public policies which the government lays out for the business.

Our research has concluded that the rate at which this digital transformation success comes up on the organizations which can implement this digital transformation framework

2. METHODOLOGY

The research presented in this paper focuses on the need for digital transformation in business. This is based on an inclusive and thorough assessment and review of existing research from various professional sources. It includes the main ideas of specialty books, research papers, and expert opinions from a range of scholars, research firms, and professional associations. To draw an integrated picture of the current research landscape, many publications were considered, processed, and analyzed. Furthermore, expert interviews, as well as market data, were factored in for drawing a comprehensive picture of digital transformation. frameworks, as well as the history and influence of digital transformation. In a nutshell, the desk research presented in this paper is intended to form the basis for further research in this field, to broaden the scope of the scientific debate on the effects of digital transformation on current strategic management models and tools.,

3. DIGITAL REVOLUTION.

You are entering a world where everything is driven by digitization and automation. Science fiction is almost becoming a science fact. Every company is almost acting like a software company. Every process is also getting automated using software. Look at all the major functions in management like marketing, finance, HR, or operations. There is a major transformation that is happening in each of these areas. Not just transformation there is a major digital transformation that is happening.

Digital transformation is a strategic planned organizational change using emerging technologies like artificial intelligence, machine learning, deep learning, big data, cloud computing, IoT, blockchain, 5G. If you look from the outside there are loads of examples of

companies like Facebook, Google, Amazon, Tesla which are all very successful in terms of digital transformations. Naturally, they received a lot of attention from the business world and the governments around them. To unlock this business actor his secrets. They have initiated a lot of processes and processes and procedures which are making them very successful financially and technically. Despite all the existing research highlighting the profound nature of change initiated by digitization, there remains to be a lack of scientific analysis on the matter of strategic management. (Manyika& McAfee, 2014; Tornjanski et al., 2015).

Achieving operational excellence is at the core of most digitization efforts. Ultimately, this translates into an improved cost position and efficiency. To achieve those targets, companies engage in activities towards standardizing and automating business processes. Considering the potential of such implementation efforts, industry champions might see their market share under attack from more digitization-driven competitors. However, firms who are capable of mastering the challenges of digitization can provide a new value proposition to their clients in the light of better and more reliable data management.

Essentially, this is a pre-requirement for effective scaling business operations across various market and customer segments. While the benefits of investing time and resources in automation and standardization are straightforward, the major of firms are struggling to steer the internal implementation process. According to research conducted by MIT, only 1 in 4 established company has so far managed to digitize completely their internal processes. Given that automation and standardization are perceived as a natural first step on the way towards mastering digital transformation, the apparent lack of digital sophistication among firms is potentially threatening for business (Markovitch & Willmott, 2014; Ross, 2017)

3.1 Role of digital transformation

Current technology allows the integration of information into a single system for decision-making. Advanced digital transformation system makes maintenance optimization possible by making the data available for determining the proper time to perform maintenance. This gives businesses the capability to apply decision-making criteria uniformly based on a common data set and a standard set of procedures and prioritization system. Effective use of digital transformation systems can help improve many aspects of the disaster response and recovery effort. One example is the use of requirements tracking and donor management systems to reduce potential redundancies and duplications of effort. Local capabilities and resources need to be identified and assessed against critical relief demands and social, political, and economic issues. A decision can then be made if outside resources and supplies are needed to supplement local capabilities. digital transformation systems can track sources of the required supplies and match them against critical needs. Volume, pricing, delivery, specification, and other resource needs can be included in the analysis. Using IT systems to match donations against specific needs will reduce redundancy and improve efficiency.

3.2 Importance of digital transformation

The importance of digital transformation in organizations has become more and more critical in the past decades. It is hard to imagine a fortune 2000 company without the application of digital transformation technologies and what are these emerging technologies. Emerging technologies like artificial intelligence, machine learning, deep learning, cloud computing, blockchain, etc... These days, it is almost impossible for many organizations to operate if digital transformation is failing. And when major digital transformation projects are not delivered on time this could result in serious risks of jeopardizing the future or the entire organization. As a result of these developments, being in control of the digital transformation environment has become very important for organizations, but complex at the same time. With digital proper digital transformation Management organizations can manage the overall positive Return on Investment, when managing an enterprise portfolio of digital transformation projects. However, organizations are being pressed to prove that they are in control of all business processes. And with digital transformation being an integral part of almost all business processes, this forces organizations to get their digital transformation activities more in line with the business goals and the business risks. Gartner reports that demonstrating the added value of digital transformation and providing digital transformation guidance to the board are two of the top priorities, cited by CIO's.

3.3 Digital Transformation in Different Sectors

3.3.1 Manufacturing: Manufacturing companies invest heavily in digital transformation applications. They operate within complex supply chains, with additional constraints due to the nature of raw material availability, product demand patterns, shelf-life problems, unplanned shutdowns, or significant plant failures requiring complex start-up procedures... The main factors for investments in digital transformation include improvement in operational efficiency and capital productivity and this is also driving the demand for digitization.

3.3.2 Government: Around the world governments are increasing their digital transformation spending to achieve the following:

- ◆ Deliver faster, more efficient, reliable, and cost-effective services and information to citizens through services such as online payment of bulls, online application for driving licenses, passports, marriage registrations, online availability of agricultural goods' prices for farmers (etc.).
- ◆ Link all government offices and agencies tectonically, streamlining the flow of information, speeding up processes, and reducing costs.
- ◆ Helping businesses by providing online services such as the registration of companies, sanction of various projects, procurement, taxation, etc.
- ◆ Helping government employees by providing services such as online filing or tracking of leave, online availability of payroll data, etc.

3.3.3 Banking, Financial Services, and Insurance: Demand ranged from general software and hardware to specialized software to enable internet phone banking etc. the banking industry also focused on CRM technology as part of their marketing efforts to deliver better customer satisfaction.

3.3.4 Telecom: Digital transformation is being used in the telecom sector to enable telecom service providers to extend IP services to subscribers, for leveraging technologies, Digital transformation is also used for the business support system to support seamless business operations such as billing, data warehousing, and customer relationship management. Another application of digital transformation in the telecom sector is for the operational support systems to rapidly deploy services in a scalable and cost-effective manner.

3.3.5 Financial Services: Digital transformation spending in the financial services market includes digital transformation spending by banks, insurance companies, and securities firms. digital transformation spending by banks is driven by initiatives to meet regulatory requirements, manage customer relationships, manage risks, reduce costs and attract new customers. Banks are trying to provide web-based trade support, value-added transaction services, basic online transaction services, and basic online information services, to attract and retain customers.

3.3.6 Healthcare: The main areas of application of digital transformation in this sector include patient management systems, record management, clinical system management, and facilitating the making and implementation of life-saving decisions.

3.3.7 Retailing: Retail includes general merchandise, catalog retailers, drug stores, restaurants and chains of food stores, etc. digital transformation spending is primarily aimed at increasing productivity, improving customer satisfaction, and eliminating overheads. Investing in digital transformation can help reduce costs in the short term and gain a competitive advantage in the long term. Key areas for digital transformation spend in retail include:

- Customer management and business intelligence, data warehousing, and data mining applications

3.3.8 Utilities: The main areas of digital transformation application in utilities are

- Support and maintenance services for industry-specific applications like forecasting, scheduling, and load balancing software
- Enterprise asset management, which includes everything from identifying and planning new assets, acquiring or building assets for operation and maintenance of assets. Logistics services are the fastest-growing sub-segment in the industry for digital transformation spending. Transport organizations especially in the air segment are using digital transformation to optimize costs and improve their business performance in an increasingly consolidated and competitive marketplace. Some drivers of digital transformation expenditure in the transportation industry include:
 - Introduction of advanced logistics and cargo security systems.
 - Use of the internet by logistics companies to offer reliable low-cost communication networks for shipments, freight forwarding, warehousing, distribution, and information.
 - Use of digital transformation by airlines to improve airport experiences providing magnetic cards for faster check-in and boarding and speech recognition technology for providing information. Airlines are also accelerating their automation efforts and are moving human resources functions, crew scheduling, and training

4. RESULTS AND DISCUSSION

The digital transformation process is challenging for all companies involved. This is mainly because of the rapid changes in technology which is happening, and what are these technologies. This is artificial intelligence, machine learning, big data, cloud computing, data analytics, blockchain, etc. Companies are finding it very difficult to adapt their organizations to these emerging technologies. Even if the organization knows the need for digital transformation within their business, the rate at which they are adopting this emerging technology is very slow. The ones who can do this digital transformation are much more successful.

5. CONCLUSION

The research which we have conducted has revealed that digital transformation is a global phenomenon. The need for this digital transformation in business is felt across all the major organizations irrespective of small scale, medium scale, or large scale. Digital transformation is also the key factor for their primary success and it is seen across various sectors. Which includes government, finance, telecom, manufacturing, every other organization, and every other sector is trying to digitize and transform not just transform digitally transform all the major functions in business, marketing, finance, HR, and operations. There is a huge gap which is coming between the growth at which technology is growing. The individuals are ready to adopt these technologies. The businesses are lagging. The government and the public policies are way behind this. The organizations which can close this gaps will be the winner. Our research has concluded that the rate at which the digital transformation success depends upon this organization is based on the public policies which the government lays out for the business.

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