

Implementation of Developing Business Strategy in the Era of Digital Transformation

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Abstract;

An effective strategy is essential for any business as modern businesses undergo digital transformation. When you create a digital business strategy, there are many important things to consider. The most important thing is to increase the scope of business operations and use the latest IT solutions. As such, this strategy will be considered a long-term "improvement" plan aimed at maintaining performance, viability and contribution to achieving the Sustainable Development Goals (SDGs). The purpose of this article is to see how to create an effective business strategy in the digital era. This analysis uses a qualitative descriptive approach. The results of the discussion show that, in the age of the "new economy" and the digital transformation that accompanies it, an innovative digital business strategy that relies on advanced IT solutions and is aligned with the SDGs is a great opportunity for companies to break out from competitors and gain a competitive advantage.

Keywords: Strategy, Business, Transformation, Digital Era.

INTRODUCTION

The modern global economy is under the significant influence of digital technology which is rapidly changing business practices, improving company performance, and driving innovation in all areas of business (Fajrillah et al, 2020).

In manufacturing, digital transformation is associated with the "Industry 4.0 Concept", which consists of technological innovations such as automation, Internet of Things, Big Data, Cyber-Physical Systems, technology Cloud Dan Smart Technology Factory For applied in the manufacturing process. Follow 102–Dwi Robiul Rochmawati..Developing Business Strategy

Digital transformation of business makes entrepreneurs develop and use innovative technologies and business models to gain competitive advantage, at the same time reviewing the costs incurred, benefits and associated threats (Banjarnahor et al, 2022). By digitizing business processes in the online environment, modern companies seek to increase the value offered to customers in the context of increasing demand for better

products and services and the internationalization of markets.

Digital transformation can be defined as the use of digital technology in various aspects of modern society that goes far beyond digital literacy and competence. This is related to the ability of companies to successfully implement new technologies and procedures to improve their business operations (Sari et al, 2019). As companies digitally transform to achieve sustainability of their business operations, the role of efficient strategies aligned with the needs of contemporary society – in the global agenda to achieve the Sustainable Development Goals (SDGs) as part of competitive advantage – is growing.

Strategy is very important for any business; it represents a long-term plan that integrates the company's main goals (related goals) and a series of actions that support these goals into a "cohesive whole"(Favari, 2020). Various "patterns" of many contributing impacts govern the decisions modern managers make when it comes to developing supporting strategic initiatives. The digital business strategy must be well defined based on the company's specific goals; it should be

aimed at avoiding the following risks: poor assessment of business prospects or inadequate allocation of resources to various digital business initiatives; inappropriate digital business strategy direction due to poorly formulated business objectives; inadequate technical support; waste of resources, and so on (Correani et al, 2020).

Digital business strategy, as a long-term development plan, is based on the company's current performance in the market, outlining how the company will allocate the necessary resources to meet strategic goals and objectives and identify competitive advantages in the global business market. Developing a digital business strategy involves using new approaches and creating new business models in terms of marketing strategy, HR strategy, supply chain management strategy, strategy TI, and so on.

The rules governing business in the "pre-digital era" have changed significantly; transformation towards a new "digital era" makes business people renew their "strategic mindset" and review the principles strategic planning, because the impact of digital transformation can be traced across each of the five domains of business strategy – customers, competition, data, innovation, value. Remaining competitive in the modern, volatile environment demands extensive digital transformation to drive growth and innovation. This is especially important in the transition period to a greener and more inclusive economy in pursuit of the Sustainable Development Goals – SDGs (The Sustainable Development Goals Report, 2021), which calls for a fundamental "mind change" from businesses around the world (Sachs *et al* 2021).

Based on the problem on, this article aims to analyze the development of efficient business strategies in the digital era. Because using existing technology can

cut costs, collect data, and provide a better customer experience. Digital businesses focus on the competitive advantage that technology brings, whether it is reducing costs *overhead* or providing new value to their customers.

METHOD

The method used in this analysis is a descriptive method with qualitative techniques. According to Sugiyono (2016) the qualitative method is data analysis based on non-numerical text to produce a conclusion from the research that has been carried out. The data used in this analysis comes from documents and field facts that have occurred in the current digital business era, which the author then processed into more detailed data.

The purpose of this article is to explore several strategic initiatives originally (sustainability related) defined and prioritized in the digital business strategy of a successful multi-business company, which focuses on achieving specific strategic objectives in the context of the digital transformation of the business.

The purpose of the literature review given in the article (source theoretical relevant information about digital business and strategic management, as well as previous studies on the research topic is to introduce, analyze, and describe the research problem and the rationale for investigating the problem. In this article, various interrelated aspects of the observed phenomenon are investigated and highlighted.

RESULTS AND DISCUSSION

A. Business digital transformation: looking for innovative and sustainable solutions

Business digital transformation is the application of technology to build new business models, processes, software

and systems that result in higher profits, more significant competitive advantages and greater efficiency. Companies achieve these goals by changing processes and business models, increasing workforce efficiency and innovation, and customizing customer/citizen experiences (Priyono *et al* 2020).

Among companies where cloud, mobile, social, and Big Data technologies are a key part of their infrastructure, these technologies are on average already profitable, have higher revenues, and have achieved higher market valuations than competitors, without a precise outlook of use that aligns with their strategy. However, as with any emerging technology, significant challenges relate to cloud, mobile, social and big data initiatives. The main risks preventing wider adoption are data security issues, legal issues, lack of interoperability with existing information technology (IT) systems, and lack of control, which can somehow, in the early stages, delay a business's digital transformation and, as a result, slow it down. business internationalization.

Digital transformation – as the transformation of business relationships and interactions between organizations, consumers, suppliers and employees – is expected to avoid the gap between customer expectations and what traditional business models can offer; it is also related to customer behavior, technological and social changes. Business digitalization is understood as the use of “digital opportunities” through the integration of various internet-based technologies – as a driver of business digital transformation:

1. *Internet of Things/IoT* (connecting a set of devices into a complex system).
2. Artificial Intelligence (using

systems that mimic human intelligence) and Cognitive computing (a combination of Artificial Intelligence and signal processing).

3. Advanced robotics (using semi-autonomous robots).
4. Cloud technology (application and platform renovation as a service).
5. *Blockchain* (changes data sharing between users).
6. *Big Data* (changing decision-making information).

. However, digital transformation is a process that goes beyond technology; it is more related to reacting in a timely manner to current challenges, building competitive digital capabilities and adopting processes that will enable the company's leadership in the industry. Digital transformation has a powerful economic impact, initiating new paradigms and approaches to economic development. At the heart of the “new digital economy” are knowledge and knowledge-based solutions. Some popular approaches to a “new economy” (both greener and more inclusive) in the digital era are listed below:

Creative economy (creative industry development).

Network economics (transforming seller-buyer relationships into supplier-user relationships using networks).

Social economy (based on social business models).

Platform economy (utilizing online platforms to provide business collaboration).

1. Reputation (trust) economy (building trust capital in the network).
2. Sharing (access) economy (using collaboration platforms to create publicly available markets).
3. Experience economy (based on

building positive customer experiences).

Support for the above approaches in the context of digital business transformation, including: a) implementing a more cost-effective business model; b) develop more effective operating practices; c) gain better access to markets; d) enrich the choice of offers to consumers. Currently, the demand for innovative and sustainable solutions is increasing, which can result in further development of business processes in terms of sustainability in the SDGs achievement agenda (as a driver for investors and consumers) and improve the reputation of companies, thereby investing in science and technological infrastructure, data and very important information (*The Sustainable Development Goals Report*, 2021). New technology must be used “strategically” in a sustainable manner, the expected results are 1) increased income; 2) increasing competitive advantage; 3) increased efficiency and coordination of operations. The above call for developing appropriate digital business strategies aims to gain competitive advantage in an uncertain international environment, in line with the SDGs.

A. Digital business strategy: Building competitive digital capabilities

Digitalization in a business context is a concept of operations that are more automated and digital (Harsono & Kiswara, 2022). All data is transferred to the computer system and becomes more accessible. Thus, the development of automation enabled by robotics and artificial intelligence promises higher levels of productivity as well as greater efficiency, safety and

comfort and is changing the world of work, creating new types of digital or virtual work. This digitalization is changing entrepreneurship in two ways. The first transformation is the inconstant location of entrepreneurial opportunities in the economy, and the second is the transformation of entrepreneurial practice itself. The same authors use the term “digital disruption” to describe the transformational impact of digital technology and infrastructure on the way businesses, economies, and societies operate. This digital disruption creates opportunities for small and medium enterprises (SMEs) to grow and internationalize. If they do not keep up with digitalization trends, they will lag behind their competitors, ultimately leading to their closure

Strategy development is seen as a key issue in the context of achieving competitive advantage. There are several approaches to designing strategy, and no standard paradigm has been established; this is determined by the functional diversity of the business sector. Digital business strategy is similar to corporate, business, and marketing strategy; they cover the following aspects: 1) mobile trading strategies; 2) customer relationship management (CRM) strategy; 3) *E-procurement strategists*;

4. supply chain strategy; 5) Social media strategy; 6) Omnichannel strategy, etc. Digital channel strategy is associated with various applied digital business strategy process models. These models are likely characterized by the following features:
 1. Conduct regular external and internal environmental scans

- (analysis of external and internal factors affecting a particular business).
2. State the company vision and objectives (related to company values) clearly.
 3. Placing emphasis on evaluating the “differential benefits” contributed by e-channels.
 4. Selecting the most appropriate channels for various business activities and business partners (“rights distribution”).
 5. Carry out routine controls to identify problems and adapt digital strategies to changes in the market.

Digital business strategy contains several basic components of digital business priorities that are relevant to the current context; 1) business and revenue models used in the organization; 2) the type of restructuring required; sub-strategies used for market and product development and market reorganization; 3) differentiation and positioning strategies implemented in the company (Kwilinski *et al* 2019).

B. Developing an Efficient Business Strategy in the Era of Digital Transformation

Digital business development refers to enhancing an organization's digital capabilities and aligning strategic, marketing, and sales activities to approach markets and customers, and enable growth that creates value.

Of course, the level of focus on generating new ideas and turning them into businesses has increased by a huge factor. Business development used to be seen as an experiment, innovation was marginalized. Now, it has become a

necessity for incumbents—a differentiating capability needed for long-term success. Consumer behavior is changing and business client behavior in many industries is changing (Putra, 2022). Building a business is almost a requirement to meet this new set of needs at a pace that might not be possible if a company were trying to change its core.

Digital transformation in business has brought many opportunities for innovation across all industries. From retail to life sciences, from pharmaceuticals to banking, we are seeing a complete reinvention of products, services and experiences brought to market. In today's world, businesses need to realize that they must use digital channels to engage with their key stakeholders. It's important to maintain relevance and encourage conversation. In their latest Digital Transformation report, The World Economic Forum said that “to succeed in the digital era, (companies) need to become digital companies, rethinking every aspect of their business.”

Digital Business Development and targeted messaging should be a key business strategy for forward-thinking companies. Targeted messages allow companies to shape opinions and motivate behavior. Many companies have developed messaging strategies and implemented them effectively in the market. However, they have large marketing budgets and can afford the new expertise needed to develop and implement this type of strategy.

Businesses can take advantage of *Big Data* by placing data and analytics at the center of their digital transformation strategy. Because of

the Internet of Things, businesses now have access to higher volumes of data than ever before (IoT).

This data can be turned into critical business insights with the right combination of analytical tools, enabling businesses to make better, faster decisions. The greater the integration and impact of analytical tools, the deeper they are embedded in a company's operations.

Technology changes rapidly. Every business should know this changing business environment and adapt to these innovations. Processes and strategies that worked before will, most likely, not work today.

If any company wants to survive in this digital era, it requires alignment of all six layers: process, platform, people, product, marketing, and customer experience. If any of these are not aligned with the digital revolution, then business is bound to suffer.

These companies were innovators and early adopters of holistic communications strategies. Some mid-market companies fall into the early adopter category, but have not yet gone mainstream. This means that small and medium-sized businesses can achieve a significant competitive advantage by developing and implementing communications strategies ahead of the curve. The following are some of the benefits of developing an efficient business strategy in the era of digital transformation (Arifiani & Furinto, 2022):

1. Improvement in data collection

Most organizations collect mountains of data about their consumers, but the real benefit

comes from analyzing that data to drive the company forward. Digital transformation creates methods to obtain relevant data and integrate it properly for high-level business insights. It establishes methods for various functional units of an organization to transform raw data into insights across multiple touchpoints. This creates a single perspective on the customer journey, operations, production, finances, and business opportunities as a result.

2. Greater Resource Management

Information and resources are consolidated into a set of business tools through digital transformation. Rather than having disparate software and databases, it places all of a company's resources together in one location. Digital transformation can unite applications, databases and software into one repository of corporate intelligence. There is no such thing as a digital transformation department or functional unit. It impacts every aspect of the company and can result in process innovation and efficiency across departments.

3. Encouraging Digital Culture

Digital transformation supports a digital culture by giving team members the necessary tools, tailored to their context. While these tools make collaboration easier, they also help with the digital transformation of the entire company. This digital culture will become increasingly

important in the future. This requires upskilling and digital learning of team members to reap the benefits of digital transformation.

4. Increase productivity

Having the right IT tools operating together can help you increase productivity and optimize your workflow. This allows team members to work more efficiently by automating many tedious procedures and connecting data across the company.

5. Increase Agility

Organizations become more agile as a result of digital transformation. Businesses can increase their agility with digital transformation to increase speed-to-market and embrace Continuous Improvement (CI) techniques by borrowing from the field of software development. This enables faster innovation and adaptability, as well as a path to improvement. These are some of the key benefits of digital transformation in business.

Digitalization in business has proven to be almost essential for business success today. It occurs when businesses begin to use digital technologies to change their business models and provide new opportunities that generate value. Business digitalization helps improve process efficiency, consistency and quality (Sunarsi, 2020). By developing efficient business strategies in the era of digital transformation, it will be

possible to help integrate conventional records or files into digital form, eliminating redundancy and shortening the communication chain. Improve and facilitate better exchange of information.

CONCLUSION

Based on the results of the discussion above, it can be concluded that in the era of the "new economy" and the digital transformation that accompanies it, an innovative digital business strategy based on sophisticated IT solutions and aligned with the SDGs is a great opportunity for companies to deviate from competitors and gain a competitive advantage.

A digital business strategy contains a set of preferred strategic priorities and defines activities aimed at meeting strategic objectives. The strategic priorities applicable to today's industrial settings are formulated taking into account the advanced technologies and digital platforms used to support appropriate sustainability-related strategic initiatives. There are various important aspects to focus on when developing an efficient digital business strategy of a multi-business company: mainly, increasing the scope of business operations, and implementing the latest IT solutions to make this strategy a long-term "scale-up" plan, which is essential to provide sustainability business.

In order to diversify the business, various e-channel strategies can be developed, with an emphasis on using new digital solutions to maintain a number of strategic initiatives. This will allow evaluating the differential benefits contributed by e-channels more effectively and selecting the most appropriate channels for different business activities and business partners (both in internal and external contexts).

SUGGESTION

Developing an efficient business in the era of digital transformation can be a springboard for further research. A more detailed understanding of the various roles of information technology (IT), resource management, and utilization is required for the Internet of Things (IoT). In addition, efficient business practices that promote human resource sustainability in the digital transformation process will be another important question for future research.

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