## **Digital firm definition**

A digital firm is a company in which almost all significant business relationships with customers, suppliers, and employees are digitally enabled and automated.

This means that all the procedures relating to core business processes are completed through the use of digital networks that cover the complete organization. These networks also link the organization to other business organizations and to the outside world.

Some examples of these technology platforms are Customer Relationship Management (CRM), Supply Chain Management (SCM), Enterprise Resource Planning (ERP), Knowledge Management System (KMS) and etc...

A company is formally defined as a digital firm when it uses the internet to drive every aspect of its business processes. Through this, the corporation shifts how it actually does business and opens up for more productivity and increased opportunities.

Today, more than ever, large and small companies are working towards becoming defined as fully digital firms. The changes in the world of information technology have accelerated this tendency forward.

This is being done through close integration of information systems with how business is done. Information technology systems, if properly designed to cater to the company’s needs, can be the main driver towards establishing a fully digital firm.

**The fastest path to a digital firm**

We believe that the fastest and most reliable path towards a digital firm passes through the adoption of cloud technologies in the first place. And in a second place, build on those platforms in order to digitize and automate the business processes of an organization.

Fortunately, most of the information services we use today implement open API -or software connectors- that interconnects them with each other and help automate tasks that were once done manually.

As a result, mechanical tasks become done by software, triggered by either predefined time milestones or by the results of other tasks. Freeing precious human time for more creativity and decision making.

The choice of these orchestrators of tasks and processes is quite varied, at EXEO, we use Zapier in order to automate presales, sales and service tasks. But we also develop lots of interconnection in order to stitch all elements together.

**The three steps approach to the digital enterprise**

Our approach is quite simple and it consists of three major steps:

1.Establish a strong IT governance and lay the foundation for everything IT, we position ourselves as a virtual CIO as take care of design, operations and innovation with a clearly defined mission and scope of work;

2.Identify the most suitable technology ecosystem for the organization and initiate the migration and adoption of the new digital tools;

3.Build this foundation and develop the digital enterprise by making sure every single process is digitized and automated.

As a result, mechanical work is eliminated, processes are automated, productivity is enhanced and the human capital of the organization has been unleashed to deliver innovation and performance.

**What is Transaction Process System(TPS)**

Transaction processing system meaning refers to an information processing system that processes all transactions taking place within the business. Such transactions include modification, collection, and retrieval of transaction data. A TPS is highly consistent, efficient, and dependable. It is the same system that online businesses utilize for e-commerce.

A TPS has the following four components. One must understand them to know how the system works.

**Inputs**: Inputs are original requests for payments or products outside parties send to an organization’s TPS. Typically, inputs include bills, coupons, custom orders, and invoices.

**Output**: Outputs are the documents a TPS generates after it processes all inputs, for example, the receipts stored by companies in their records. Such documents help validate transactions and offer crucial reference details for tax and multiple official purposes.

**Storage**: A TPS’s storage component is where organizations keep their output and input data. Some businesses store the documents in a database. This component ensures the security, accessibility, and organization of all documents for late use.

**Processing System**: The processing system goes through every input and establishes a useful output, for example, a receipt. It helps outline the input data and defines what the outputs must be. One must remember that the processing time varies depending on the type of TPS an organization uses.

**Features**

The following are some crucial features of a TPS:

**Controlled Access**: TPSs are powerful business tools. Hence, only authorized employees can access it. In other words, it allows only certain employees to control and process transactions.

Connection With The External Environment: TPS establishes a relationship with the external environment by distributing information to suppliers and customers.

**Fast Response**: This feature is crucial for a TPS as organizations cannot afford to keep their customers waiting long before completing a transaction.

Inflexibility: A TPS processes all transactions in the same way, irrespective of the time of day, user, or customer, to maximize efficiency.

**Reliability**: A TPS must be reliable as customers do not tolerate errors; it must have adequate security and safety measures.

Distribution Of Details To Other Systems: A TPS produces and distributes information to different systems. For instance, sales processing systems provide information to general ledger systems.

**Examples**

Let us look at a few transaction processing system examples to understand the concept better.

**Example 1**

Suppose David purchased a t-shirt from Amacon, an online apparel and clothing retailer. He used his credit card to pay for the item. The company’s TPS collected the credit card details, communicated with its bank, and approved the purchase based on David’s account balance.

**Example 2**

Let us say that John pays for a Chill TV subscription at the beginning of every month to watch the latest TV shows and movies. Chill TV’s TPS processes all transactions as a set as they occur simultaneously. Since the system processes a set of transactions once every month, it requires high computing power. Hence, a delay in processing the transactions is acceptable in this case.

Reference

digital firms

<https://exeo.net/en/digital-firm/>

TPS

<https://www.wallstreetmojo.com/transaction-processing-system/>