**Discussion Post: Risks of Digitalisation in Business Models**

Industry 4.0 represents the fourth industrial revolution, characterized by comprehensive digitalization and automation of business processes, as established by Kovaitė and Stankevičienė (2019). This transformation integrates emerging technologies, including the Internet of Things (IoT), artificial intelligence (AI), big data analytics, and cloud computing, building upon previous industrial advancements. In practice, this manifests through innovations such as smart manufacturing systems, where IoT sensors and AI-driven analytics optimize production efficiency, and autonomous logistics operations, exemplified by Amazon's implementation of AI-powered warehouse robotics for enhanced inventory management.

Research identifies six primary risk categories associated with business model digitalization: technical, competence, staff acceptance, customer and partner acceptance, data security, and financial risks. Contemporary examples illustrate these challenges effectively. Major cybersecurity breaches in cloud-based services, such as the Equifax incident, demonstrate significant data security vulnerabilities within digital infrastructure (Nurse et al., 2017). Additionally, the emergence of resistance to automation in traditional industries, particularly evident in transport unions' opposition to self-driving vehicles, highlights staff acceptance challenges (Tupa, Simota, & Steiner, 2017).

Further research by Reim, Parida, and Sjödin (2016) reinforces these concerns, particularly emphasizing the unpredictable outcomes associated with rapid technological evolution in product-service system digitalization. However, this perspective is balanced by scholars such as Burmeister, Lüttgens, and Piller (2016), who contend that while digitalization introduces certain uncertainties, it simultaneously strengthens business resilience through enhanced predictive analytics and adaptive decision-making capabilities.

The transformation toward Industry 4.0 presents both significant opportunities and substantial risks, necessitating robust assessment frameworks such as the Risk Assessment of Digitalisation of Business Model (RADi) proposed by Kovaitė and Stankevičienė (2019). As this technological revolution continues to advance, additional empirical research will be essential for developing and refining effective risk mitigation strategies.

**References:**

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