

UMEÅ UNIVERSITY

MANAGING THE DIGITAL ENTERPRISE

Individual Assignment 4

Pina Kolling

supervised by

Dr. Daniel SKOG

and

M. Sc. Ramy SHENOUDA

October 27, 2023

Contents

| | | |
|----------|--|----------|
| 1 | Definitions of Digital Transformation | 2 |
| 1.1 | <i>Digital doesn't have to be disruptive</i> | 2 |
| 1.2 | <i>Five myths about digital transformation</i> | 2 |
| 1.3 | <i>IT-enabled business transformation</i> | 3 |
| 1.4 | <i>Understanding digital transformation</i> | 3 |
| 1.5 | <i>Digital Transformation versus IT-Enabled Transformation</i> | 3 |
| 2 | Section 2 | 4 |
| 3 | Section 3 | 4 |
| | References | 5 |

1 Definitions of Digital Transformation

1.1 Digital doesn't have to be disruptive

The authors Nathan Furr and Andrew Shipilov described digital transformation in *Digital doesn't have to be disruptive: the best results can come from adaptation rather than reinvention* as “adapting an organization’s strategy and structure to capture opportunities enabled by digital technology“ [2, p. 96]. The main aspects of digital transformation are listed as automation, virtualization, more targeted product and service customization, more informed decision making and machine-driven recommendations. Those technologies can be applied at almost every company and in almost every step of their processes. [2]

It can be difficult for companies to create a plan on how to act and execute their digital transformation. But radical replacements are only sometimes necessary – digital transformation means incremental steps to improve the processes. This includes getting more efficient and user-friendly using digital tools, finding the best way to reach the company’s goals through digital tools or to overcome previous challenges. [2]

1.2 Five myths about digital transformation

Stephen J. Andriole in *Five myths about digital transformation*. [1]

- path to digital transformation is risky but it might lead to efficiency, innovation and competitiveness
- companies will fail to implement digital transformation unless it is well planned and executed
- collected five myths to make the reader aware of the risks and dangers of digital transformation
- digital transformation is hyped and not described as risky enough
- 1: ”not every company, process, or business model requires digital transformation” [1, p. 20]
- 2: digital transformation does not necessarily use emerging or disruptive technologies
- 3: if the company is already going well, the transformation will not have a meaningful impact
- 4: disruptive transformation does usually not begin with the market leaders
- 5: executives do not necessarily want to transform digitally

1.3 IT-enabled business transformation

Nramanujam Venkatraman in *IT-enabled business transformation: from automation to business scope redefinition*. [3]

- IT has a distinctive role in shaping the future's business operations
- IT is a fundamental enabler in creating and maintaining shift
- 5 levels of IT enables business operations
- companies should estimate first the costs and efforts in comparison to the benefits and then move to higher levels
- 1: Localized Exploitation – deployment of standard IT applications with minimal changes to the business processes
- 2: Internal Integration – deployment of IT applications in the entire business process
- 3: Business Process Redesign – renew processes to improve efficiency with IT applications
- 4: Business Network Redesign – digital transformation not only within the organization but with partners or suppliers
- 5: Business Scope Redefinition – redefine the market and the company's goals and potentially outsource tasks to third party companies

1.4 Understanding digital transformation

Gregory Vial in *Understanding digital transformation: A review and a research agenda* [4].

- digital transformation consists out of 8 building blocks: digital technologies, disruption, strategic responses, value creation paths, structural changes, organizational barriers, positive and negative outcomes
- table with different definitions of digital transformation
- include graphics of the 8 step framework and describe

1.5 Digital Transformation versus IT-Enabled Transformation

Lauri Wessel, Abayomi Baiyere, Roxana Ologeanu-Taddei, Jonghyuk Cha and Tina Blegind-Jensen in *Unpacking the difference between digital transformation and IT-enabled organizational transformation*. [5]

- Focus on difference between digital transformation and IT-enabled transformation
- digital transformation can lead to a new organizational identity while IT-enabled organizational transformation is the enhancement of an existing organizational identity

2 Section 2

| Definitions |
|-------------|
| Text |

3 Section 3

| Definitions |
|-------------|
| Text |

References

- [1] Stephen J Andriole. “Five myths about digital transformation”. In: *MIT sloan management review* 58.3 (2017).
- [2] Nathan Furr and Andrew Shipilov. “Digital doesn’t have to be disruptive: the best results can come from adaptation rather than reinvention”. In: *Harvard Business Review* 97.4 (2019), pp. 94–104.
- [3] Nramanujam Venkatraman. “IT-enabled business transformation: from automation to business scope redefinition”. In: *Sloan management review* 35 (1994), pp. 73–73.
- [4] Gregory Vial. “Understanding digital transformation: A review and a research agenda”. In: *Managing Digital Transformation* (2021), pp. 13–66.
- [5] Lauri Wessel, Abayomi Baiyere, Roxana Ologeanu-Taddei, Jonghyuk Cha, and Tina Blegind-Jensen. “Unpacking the difference between digital transformation and IT-enabled organizational transformation”. In: *Journal of the Association for Information Systems* 22.1 (2021), pp. 102–129.