

A Systematic Review of the Enterprise Digital Transformation Literature and Future Outlook

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Abstract: This paper aims to explore the impact of digital transformation on enterprises and society, focusing on the main research directions, research achievements, best practices, and future research directions. A comprehensive literature review was conducted, synthesizing research findings on digital transformation management best practices and future trends in the field. Digital transformation profoundly affects enterprises and society by enabling innovation, enhancing competitiveness, promoting efficiency, and facilitating economic growth opportunities. This study presents a comprehensive analysis of digital transformation, integrating findings from various sources to provide valuable insights for businesses, policymakers, and researchers. Challenges in acquiring and ensuring data quality, as well as the lack of long-term tracking and evaluation, pose limitations in assessing the full impact of digital transformation. The findings emphasize the importance of embracing digital transformation strategies, fostering interdisciplinary research, and addressing limitations to shape a more innovative, efficient, and prosperous future.

Keywords: Digital transformation strategy; Organizational change and digital transformation; Technological innovation in enterprises; Data-driven decision-making; Enterprise collaboration and digital transformation.

1. Introduction

Digital transformation has become a critical driver for enterprise growth and competitiveness, as it enables companies to harness the power of data-driven technologies to optimize R&D, production, and sales processes. The World Economic Forum's (WEF) white paper, *The Impact of the Fourth Industrial Revolution on the Supply Chain* (2017), indicates that digital transformation has the potential to reduce manufacturing costs by 17.6% and increase revenue by 22.6%. In addition to boosting efficiency and profitability, digital transformation opens up new opportunities for innovation, such as the development and promotion of novel products and services. Huawei's *Global Connectivity Index* (2018) further showcases the potential of digital transformation to fuel global economic growth, with the digital economy projected to reach a staggering USD 23 trillion by 2025. Consequently, digital transformation has become a strategic imperative for enterprises and organizations seeking to remain competitive in an increasingly data-driven and interconnected world.

Digital transformation, a critical driver for enterprise growth and competitiveness. The methodology employed in this paper involves a systematic review and analysis of scholarly literature, exploring various aspects of digital transformation from diverse perspectives. This approach enables the identification of successful factor, best practices, and future development trends in digital technology, offering valuable insights for practitioners, scholars, and policymakers.

The term "digital transformation" was first introduced by International Business Machines Corporation (IBM) in 2012, emphasizing the use of digital technologies to reshape customer value propositions and enhance customer interaction and collaboration. However, a unified definition of the concept of digital transformation remains elusive in academia. In recent years, numerous scholars have offered their own perspectives on digital transformation, which are presented in this paper as follows.

Table 1. Definition of Digital Transformation in Available Literature

Authors	Definitions
Berman (2012)	Digital transformation is a process of upgrading the operation model of enterprises with digital technology, reshaping the value proposition of customers, transforming the business model and value creation of traditional manufacturing enterprises, thereby enhancing the market competitiveness of enterprises in the digital economy.
Demirkan (2016)	Digital transformation involves leveraging digital technologies to accelerate the transformation of business activities, models, processes, and capabilities through prioritization and strategy, in order to comprehensively address the opportunities, challenges, and impact of the digital age.
Ilona (2018)	Digital transformation is the process by which enterprises employ digital technologies to facilitate the transformation and innovation of their production service processes and operational methods.
Vial (2019)	Digital transformation refers to the process of organizational transformation in which enterprises introduce digital technologies to reshape value creation paths, with a view to facilitating internal operational efficiency and organizational performance improvement.
Zeng Delin et al.(2021)	Digital transformation is the process of facilitating transformation in multiple aspects of enterprises, industries and societies through infrastructure such as digital technologies, products and platforms, with both positive and negative impacts on organizations.

Research on digital transformation has revealed several characteristics. The first feature is the broad scope of research areas, encompassing multiple aspects of enterprise R&D, production, and sales. The second characteristic is the diversity of research methodologies used in digital

transformation research, which is constantly evolving and iterating in the era of the digital economy. The third characteristic is the richness of the research content, covering a wide range of areas such as strategic planning, organizational culture, and talent development.

The field of digital transformation has made significant strides in identifying successful strategies and best practices by analyzing various digital transformation cases. The wealth of knowledge generated by these successful cases can serve as a reference for other enterprises and organizations seeking to achieve successful digital transformation. Furthermore, research on digital transformation has provided insights into the future development direction of digital technology. For instance, future developments are expected to focus on more intelligent and humanized digital technologies, with an emphasis on user experience and personalized needs. These insights into future directions can guide enterprises and organizations in strategically planning the direction and objectives of their digital transformation efforts.

2. Main research directions and achievements of Digital Transformation

Digital transformation, a process that drives change within an organization through the application of technology, has become increasingly important in today's competitive landscape. It is essential to understand the factors that contribute to the success or failure of digital transformation initiatives.

Vial, G. highlight the importance of senior management support and promotion in the successful implementation and performance of digital transformation initiatives. This finding aligns with the broader literature, emphasizing the need for digital transformation to be an integral part of an enterprise's strategic planning. The role of senior management in setting the direction for digital transformation and providing necessary resources is crucial for its success. Digitally mature companies actively adopt new technologies while innovating and changing their organizational culture to meet the challenges of the digital age. The need for an open, innovative culture that facilitates the success of digital transformation efforts is crucial. The establishment of such a culture is crucial for integrating new technologies and fostering a collaborative learning environment.

Data-driven strategy is a critical aspect of digital transformation for enterprises (Ransbotham et al., 2017). By systematically collecting, processing, and applying data, enterprises can enhance their competitiveness, reduce decision-making risks and costs, and identify new opportunities for innovation. This finding reinforces the importance of data-driven decision-making as a core component of digital transformation strategies. Davenport (2013) explores how enterprises can use information technology to redesign their business processes, emphasizing the importance of a data-driven strategy. Optimizing business processes provides the foundation for digital transformation, enabling enterprises to achieve automation, data integration, and information fluency, as well as accommodating the transformation and innovation required for digital transformation and enhancing market competitiveness.

Having a robust technology infrastructure and investing in talent and training are crucial for the successful implementation of digital transformation (Sebastian et al.,

2017). Real-time data collection, processing, and analysis capabilities, along with a skilled workforce, are essential for effectively achieving digital transformation objectives. This finding resonates with the broader literature on digital transformation, emphasizing the significance of technology infrastructure and human capital in enhancing competitiveness and promoting innovation.

In conclusion, the literature on digital transformation highlights the importance of senior management support, an open and innovative organizational culture, data-driven strategy, business process optimization, and a robust technology infrastructure for the success of digital transformation initiatives.

3. Best Practices for Digital Transformation Management

Successful digital transformation requires a comprehensive and well-planned approach. In order to maximize the benefits of digital transformation, enterprises should follow these best practices.

3.1. Develop a clear digital strategy and plan

Prior to embarking on digital transformation, it is essential for enterprises to have a clear understanding of their objectives and strategies for digital transformation (Matt et al., 2015). They should develop a specific plan and roadmap for digital transformation, taking into account their unique business needs and challenges.

3.2. Provide sustained leadership and support

Senior management plays a critical role in the success of digital transformation (Sebastian et al., 2017). They should provide sustained leadership and support for digital transformation, including the allocation of necessary resources, support for innovation, and encouragement for employees to participate in the process.

3.3. Foster a digital culture

Enterprises should foster a digital culture by providing training, communication, and culture-building activities to help employees understand the importance of digital transformation and its impact on their work (Kane et al., 2015). This will help to create a culture that is conducive to digital innovation and change.

3.4. Ensure data quality and security

Ensuring data quality and security is another critical best practice for digital transformation management (Bughin & Hazan, 2017). Enterprises should establish reliable data management systems and data security mechanisms to ensure the quality and security of data, and to comply with relevant regulations and standards.

3.5. Continuously improve and optimize

Digital transformation is an ongoing process of continuous improvement and optimization (Bharadwaj et al., 2013). Enterprises should regularly evaluate and adjust their digital strategies and plans to keep pace with changes in the market and technology, and to ensure that they are achieving the desired outcomes.

In conclusion, the literature on best practices for digital transformation management highlights the importance of developing clear digital strategies, providing sustained

leadership support, fostering a digital culture, ensuring data quality and security, and continuously improving and optimizing digital transformation efforts.

4. Future Trends and Development Directions of Digital Transformation

Digital transformation continues to evolve as businesses recognize the increasing importance of leveraging digital technologies to improve efficiency, competitiveness, and growth. This paper examines the key findings regarding future trends and development directions of digital transformation and discusses their implications for research and practice.

Four main trends have emerged in the digital transformation landscape: intelligence, systematization, synergization, and personalization. Intelligence, driven by technologies such as artificial intelligence and machine learning, enables enterprises to automate processes, improve decision-making, and enhance customer satisfaction (Bughin & Hazan, 2017). Furthermore, intelligent technologies can enhance production and manufacturing, logistics, and warehousing processes, leading to lower costs and improved efficiency. Systematization involves integrating various departments and businesses within an organization to establish a comprehensive digital ecosystem. This ecosystem facilitates comprehensive management and control of digital transformation, including digital platforms, digital ecological environments, digital technical support, and other aspects (Ghobakhloo et al., 2019). Synergization focuses on fostering collaboration between enterprises and industries, enabling resource sharing and innovation. By sharing resources more effectively, enterprises can boost the efficiency and results of industrial synergy, with various digital technologies intimately linked to realize a more efficient industrial chain synergy (Nambisan et al., 2017). Personalization leverages big data and AI to deliver customized products and services to meet consumer needs. By analyzing big data and applying artificial intelligence algorithms, enterprises can gain a deeper understanding of the needs and behaviors of consumers, resulting in more personalized products and services (Ross et al., 2013).

These trends have significant implications for both research and practice. Researchers must investigate how organizations can effectively implement and integrate these trends into their digital transformation strategies. This includes exploring the challenges associated with adopting and managing intelligent technologies, the role of organizational culture in fostering systematization and synergization, and the impact of personalization on consumer behavior and satisfaction.

Future research should focus on identifying the most effective methods for implementing these trends within organizations, as well as the barriers to their adoption. Additionally, researchers should examine the interplay between these trends and how they can collectively contribute to successful digital transformation. Studies should also explore the potential risks associated with adopting these trends, such as ethical and privacy concerns related to personalization and the use of AI.

To address these research questions, a combination of qualitative and quantitative methods should be employed. Qualitative approaches, such as case studies and interviews, can provide in-depth insights into the experiences of

organizations undergoing digital transformation. Quantitative methods, including surveys and experiments, can help to establish causal relationships and identify generalizable patterns. Longitudinal studies are also essential for understanding how digital transformation strategies evolve over time and their impact on organizational performance.

As digital transformation continues to shape the business landscape, understanding the future trends and development directions of this phenomenon is crucial for organizations and researchers alike. By examining the trends of intelligence, systematization, synergization, and personalization, this paper provides a foundation for future research on digital transformation and offers valuable insights for practitioners seeking to navigate this rapidly evolving field.

5. Conclusion

This paper aimed to explore the impact of digital transformation on enterprises and society, identifying key trends and best practices, and discussing the implications and future research directions. Digital transformation has a profound and multi-dimensional impact on enterprises and society. Firstly, it enables enterprises to innovate their business models, improve productivity, quality, and enhance their competitiveness and market position. Secondly, digital transformation facilitates the sharing and circulation of information, breaking down information silos, and accelerating social informatization, resulting in increased efficiency and profitability of society. Thirdly, digital transformation can create new employment opportunities and economic growth points, injecting new momentum into economic and social development. In summary, digital transformation is a critical strategy for enterprises to remain competitive and for society to achieve sustainable development in the future (Skog et al., 2018).

The implications of these findings are significant for businesses, policymakers, and researchers alike. Enterprises should be proactive in adopting and implementing digital transformation strategies and best practices to remain competitive in the market. Policymakers can support digital transformation through the development of regulatory frameworks, standards, and incentives to foster innovation and collaboration. Researchers should continue investigating digital transformation to better understand its impact on various sectors and its potential for contributing to sustainable development.

Despite the growing interest in digital transformation, there remain challenges and limitations in conducting research in this area. One of the major challenges is the issue of data source and quality, which has remained a tough spot for researchers due to difficulties in acquiring and ensuring the quality of data (Yoo et al., 2012). Additionally, digital transformation is a long-term process that requires ongoing tracking and evaluation, yet current research lacks long-term tracking and evaluation, making it difficult to predict and accurately assess the long-term impact of digital transformation (Karimi & Walter, 2015).

Moving forward, further improvements and deepening of research on digital transformation are necessary. This includes enhancing the depth and breadth of research on the implementation and promotion mechanism of digital transformation, exploring the impact of digital transformation on organizational culture and employee behavior, and investigating other related issues (Hess et al., 2016). To address the data challenges, it is necessary to reinforce the

management of data sources and quality to enhance the data support capability of research on digital transformation. Furthermore, establishing a long-term tracking and evaluation mechanism is vital for accurate prediction and assessment of the long-term impact of digital transformation.

Cross-fertilization of digital transformation with other fields such as digital transformation and sustainable development, digital transformation and innovation, can broaden the breadth and depth of research on digital transformation. Collaborative research efforts and interdisciplinary approaches will likely lead to a more comprehensive understanding of the complex dynamics surrounding digital transformation, ultimately benefiting both enterprises and society as a whole.

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