# Practice of Enterprise Digital Transformation and Business Management Innovation

DOI: 10.23977/acccm.2024.060513

ISSN 2523-5788 Vol. 6 Num. 5

#### Jia Liu

Guochuan Group Co., Ltd., Beijing, 100000, China

*Keywords:* Digital transformation; Business administration; Pressure of change; sustainable development

Abstract: Under the background of digital transformation, enterprises are facing unprecedented pressure of change. The purpose of this paper is to deeply explore the internal relationship between enterprise digital transformation and business management innovation and its influence on enterprise development. In this paper, the definition, characteristics, motivation and implementation path of digital transformation are comprehensively analyzed, and the theoretical framework of business administration innovation is constructed, and the business administration innovation strategy driven by digital transformation is put forward. Through the study of this paper, it is found that digital transformation not only promotes the innovation of enterprises in technology, but also causes profound changes in strategy, organization and operation. As an important support of this change, business management innovation has effectively promoted the successful implementation of digital transformation by optimizing management processes, innovating business models and enhancing organizational capabilities. Based on this, this paper puts forward some concrete suggestions on the digital transformation of enterprises and the innovation practice of business administration. It can provide theoretical guidance and practical reference for enterprise digital transformation and industrial and commercial management innovation, and help enterprises to better cope with market challenges and achieve sustainable development.

#### 1. Introduction

In this era of rapid development of informatization and digitalization, enterprises are facing unprecedented pressure of change [1]. Digital transformation is not achieved overnight, which requires enterprises to carry out comprehensive innovation in strategy, organization and operation [2]. The purpose of this study is to deeply discuss the background and process of enterprise digital transformation and its influence on business management, so as to provide theoretical guidance and practical reference for enterprise transformation in the digital age [3]. Through this study, we hope to reveal the inherent law of digital transformation and help enterprises better cope with market challenges and achieve sustainable development.

Digital transformation and business management innovation are hot topics of concern in academia and industry in recent years [4]. Many scholars have done a lot of research on this, involving the concept, motivation and path of digital transformation, as well as the theoretical

framework and practical strategy of business management innovation [5]. Therefore, based on the existing literature, this study will further sort out the theoretical context of digital transformation and business management innovation, and provide a solid theoretical basis for the follow-up research. The main purpose of this study is to reveal the internal mechanism of enterprise digital transformation, explore the influence of digital transformation on business management innovation, and put forward corresponding practical strategies.

#### 2. Theory and practice of digital transformation of enterprises

#### 2.1. Definition and characteristics of digital transformation

Digital transformation refers to the process that enterprises use modern information technology to comprehensively innovate the traditional business model, organizational structure and operation process, so as to achieve business growth, efficiency improvement and competitiveness enhancement [6]. The characteristics of digital transformation are shown in Figure 1:

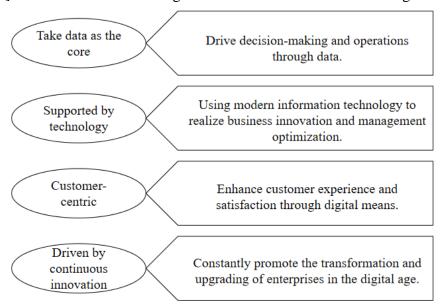


Figure 1: Characteristics of digital transformation

#### 2.2. Motivation of digital transformation

The motivation of digital transformation of enterprises mainly comes from internal and external pressures. External pressure mainly comes from the intensification of market competition, the diversification of consumer demand and the promotion of policy environment [7]. In the digital age, enterprises are facing the competitive pressure from all over the world, and only by continuously carrying out digital transformation can they maintain their competitive advantage. At the same time, consumer demand is increasingly diversified and personalized, and enterprises need to meet consumer demand through digital transformation [8]. The promotion of policy environment is also one of the important reasons for the digital transformation of enterprises. The internal pressure mainly comes from the needs of the enterprise's own development, including improving operational efficiency, reducing costs and enhancing innovation ability.

## 2.3. The implementation path of digital transformation

The implementation path of enterprise digital transformation includes strategic planning, organizational structure adjustment, technology selection and system integration, data governance and security, and cultural and talent transformation. Enterprises need to formulate a clear digital transformation strategy, clear the goal and path of transformation; Adjust the organizational structure to meet the needs of digital transformation. Enterprises need to choose appropriate technologies and integrate systems to ensure the smooth digital transformation; Strengthen data governance and security to ensure data security and compliance. Enterprises also need to promote the transformation of culture and talents, cultivate a workforce with digital thinking and ability, and provide a strong talent guarantee for digital transformation.

#### 3. Practice of business administration innovation in digital transformation

#### 3.1. Theoretical framework of industrial and commercial management innovation

Business management innovation is an important driving force for the sustainable development of enterprises, and its core lies in constantly adapting to changes in the external environment, optimizing internal management processes and improving organizational efficiency. Under the background of digital transformation, the theoretical framework of business management innovation has been further enriched and expanded. It is no longer limited to the traditional organizational management theory, but incorporates the knowledge of emerging disciplines such as information technology and data science, forming an interdisciplinary theoretical system. This framework emphasizes customer demand-oriented, and through the combination of technological innovation and management innovation, it promotes enterprises to reshape business models, optimize organizational structure and re-engineer operational processes. At the same time, it also pays attention to cultivating the learning ability and innovation ability of enterprises, so that enterprises can maintain their competitive advantage in the ever-changing market environment.

#### 3.2. Business management strategy driven by digital transformation

Driven by the digital transformation, the innovation strategies of business administration have diversified characteristics. Enterprises should not only innovate at the technical level, but also carry out in-depth changes at the management level. On the one hand, enterprises need to optimize internal management processes and improve operational efficiency through digital transformation. Enterprises use big data and AI to optimize management and use resources efficiently (as shown in Table 1).

Table 1 shows in detail the changes of enterprises in supply chain management, customer relationship management, human resource management, financial management and production process before and after digital transformation. Through digital transformation, enterprises can realize real-time monitoring and intelligent analysis of data, thus greatly optimizing internal management processes. In the supply chain management, the inventory cost is reduced by 20% and the logistics efficiency is improved by 30% after the digital transformation. In customer relationship management, customer satisfaction increased by 25% and conversion rate increased by 15%.

On the other hand, enterprises also need to promote the innovation of business model through digital transformation. For example, by building a digital platform to expand new market channels (as shown in Table 2). At the same time, enterprises also need to pay attention to cultivating employees' digital literacy and innovation ability, and provide a strong talent guarantee for digital transformation.

Table 1: Optimization of Internal Management Processes through Digital Transformation

Item	Before Digital	After Digital	Improvement Effect
	Transformation	Transformation	
Supply Chain	Manual tracking of	Real-time data	Inventory cost
Management	inventory and	monitoring,	reduced by 20%,
	logistics, information	intelligent demand	logistics efficiency
	lag	forecasting	increased by 30%
Customer	Traditional CRM	AI-assisted	Customer satisfaction
Relationship	system, slow	personalized service,	improved by 25%,
Management	response, average	rapid response	conversion rate
	customer experience		increased by 15%
Human Resource	Paper-based records,	Digital HR system,	Recruitment cycle
Management	cumbersome	automated processing	shortened by 40%,
	processes		labor cost reduced by
			10%
Financial	Manual accounting,	Automated financial	Financial error rate
Management	prone to errors	system, real-time	reduced by 90%,
		reports	decision-making
			efficiency increased
			by 20%
Production Process	Manual monitoring,	IoT monitoring,	Production efficiency
	low production	intelligent scheduling	increased by 25%,
	efficiency		energy consumption
			reduced by 15%

Table 2: Business Model Innovation through Digital Transformation

Digital Platform   No online sales   Establishment of   e-commerce   platform, multi-channel sales   platform, multi-channel sales   platform, multi-channel sales   nationwide   multi-channel sales   nationwide	Innovation Model	State Before	State After	New Revenue/Effect
Digital Platform Construction  No online sales channels  Pe-commerce platform, platform, multi-channel sales  Data-Driven Product Innovation  Intelligent Services  Sharing Economy Model  No online sales channels  No online sales channels  Pe-commerce platform, multi-channel sales  Utilizing user data analysis, rapid iteration of personalized products products  AI customer service, 24/7 online service service cost reduced by 20%  Leveraging platform resources, launching shared services utilization rate increased by 40%				
Construction channels e-commerce platform, multi-channel sales Data-Driven Product Innovation Utilizing user data analysis, rapid personalization personalization personalized products Slow product updates, lack of personalized products strengthened  Intelligent Services Traditional service model, slow response Model  Sharing Economy Model  Not involved Leveraging platform resources, launching shared services are utilization rate increased by 40%	Digital Platform			Annual sales growth
Data-Driven Product Innovation  Innovation  Intelligent Services  Sharing Economy Model  Model  Intelligent Services  Model  Intelligent Services  Intelli	•			_
Data-Driven Product Innovation Slow product updates, lack of personalization personalization Intelligent Services Model  Sharing Economy Model  Multi-channel sales  Multi-channel sales  Utilizing user data analysis, rapid product launches increased to 80%, user stickiness strengthened  AI customer service, 24/7 online service improved by 30%, service cost reduced by 20%  Leveraging platform resources, launching shared services  Model  Multi-channel sales  Utilizing user data analysis, rapid product launches increased to 80%, user stickiness strengthened  Customer satisfaction improved by 30%, service cost reduced by 20%  New business revenue accounts for 15%, resource utilization rate increased by 40%			platform,	•
Innovation updates, lack of personalization updates, lack of personalization iteration of personalized user stickiness strengthened  Intelligent Services Traditional service model, slow response Model  Sharing Economy Model  Not involved Leveraging platform resources, launching shared services shared services utilization rate increased by 40%			•	
Innovation updates, lack of personalization updates, lack of personalization iteration of personalized user stickiness strengthened  Intelligent Services Traditional service model, slow response Model  Sharing Economy Model  Not involved Leveraging platform resources, launching shared services increased to 80%, user stickiness strengthened  AI customer service, 24/7 online service improved by 30%, service cost reduced by 20%  Leveraging platform resources, launching shared services 15%, resource utilization rate increased by 40%	Data-Driven Product	Slow product	Utilizing user data	Success rate of new
Intelligent Services  Traditional service model, slow response  Sharing Economy Model  Model  Not involved  Model  Personalized products  AI customer service, 24/7 online service  Leveraging platform resources, launching shared services  Sharing Economy Model  Sharing Economy Model  Not involved  Leveraging platform resources, launching shared services  Usetomer satisfaction improved by 30%, service cost reduced by 20%  New business revenue accounts for 15%, resource utilization rate increased by 40%	Innovation	updates, lack of	analysis, rapid	product launches
Intelligent Services  Traditional service model, slow response  Sharing Economy Model  Model  Not involved  Sharing Service  Model  Not involved  Sharing Service  Sharing Economy Model  Sharing Economy Mode		personalization	iteration of	increased to 80%,
Intelligent Services  Traditional service model, slow response  Al customer service, 24/7 online service improved by 30%, service cost reduced by 20%  Sharing Economy Model  Not involved  Leveraging platform resources, launching shared services  15%, resource utilization rate increased by 40%			personalized	user stickiness
model, slow response 24/7 online service improved by 30%, service cost reduced by 20%  Sharing Economy Model  Not involved Leveraging platform resources, launching shared services 15%, resource utilization rate increased by 40%			products	strengthened
Sharing Economy Model  Not involved Leveraging platform resources, launching shared services  Sharing Economy Model  Not involved Leveraging platform resources, launching shared services  15%, resource utilization rate increased by 40%	Intelligent Services	Traditional service	AI customer service,	Customer satisfaction
Sharing Economy Model  Not involved Leveraging platform resources, launching shared services  15%, resource utilization rate increased by 40%		model, slow response	24/7 online service	improved by 30%,
Sharing Economy Model  Not involved Leveraging platform resources, launching shared services 15%, resource utilization rate increased by 40%				service cost reduced
Model resources, launching shared services 15%, resource utilization rate increased by 40%				by 20%
shared services 15%, resource utilization rate increased by 40%	Sharing Economy	Not involved	Leveraging platform	New business
utilization rate increased by 40%	Model			revenue accounts for
increased by 40%			shared services	15%, resource
				utilization rate
Remote Work and Restricted office Cloud collaboration Work efficiency				increased by 40%
remote work and restricted office cloud condition work efficiency	Remote Work and	Restricted office	Cloud collaboration	Work efficiency
Collaboration locations and hours tools, flexible improved by 15%,	Collaboration	locations and hours		
working employee satisfaction			working	
increased				

Table 2 shows the innovative practice and achievements of enterprises in business model through

digital transformation. By building a digital platform, the enterprise not only broadens the sales channels and achieves an annual sales growth of 50%, but also improves the success rate of new products to 80% through data-driven product innovation and enhances user stickiness. The introduction of intelligent service has improved customer satisfaction by 30% and reduced service cost by 20%. The exploration of sharing economy model has brought 15% of new business income to enterprises, and significantly improved the utilization rate of resources. The realization of remote work and collaboration further improves work efficiency and employee satisfaction.

## 4. Challenges and countermeasures

# 4.1. The challenges faced by digital transformation and business management

With the rapid technological update, enterprises need to continuously invest funds and resources to keep up with the pace of technological development, which puts high demands on their financial strength and technical ability. Digital transformation requires enterprises to carry out comprehensive organizational changes, including the adjustment of organizational structure and the reengineering of management processes, which involves conflicts of interest and power struggles within enterprises and requires enterprises to have strong change management capabilities and leadership. Digital transformation is also constrained by laws and regulations such as data security and privacy protection. Enterprises need to strengthen compliance management to ensure the legitimacy and compliance of digital transformation.

## 4.2. Coping strategies and suggestions

Enterprises should strengthen investment in technology research and development, and enhance their technological innovation ability. Enterprises can jointly develop new technologies and products through cooperation with scientific research institutions and universities, so as to improve their technical strength and market competitiveness.

Enterprises need to strengthen organizational change management and drive comprehensive transformation. Therefore, we should make clear the goal and path of transformation, enhance internal communication and cooperation, and ensure the smooth process of transformation. At the same time, enterprises should pay attention to staff training and education, improve the team's digital capability and innovation ability, and lay a solid talent foundation for digital transformation.

In addition, enterprises must strengthen the compliance system to ensure the legality and compliance of the digitalization process. Organizations must keep up with laws and regulations, strengthen data security and privacy protection measures, and safeguard the legitimate rights and interests of enterprises.

By implementing the above strategies, enterprises will be able to effectively meet the challenges of digital transformation and industrial and commercial management innovation, and promote the realization of sustainable development goals.

#### **5. Conclusions**

In the cross field of digital transformation and business management innovation, this study reveals the internal relationship and interaction mechanism between them. It is found that digital transformation not only promotes the innovation of enterprises in technology, but also causes profound changes in strategy, organization and operation. As an important support of this change, business management innovation has effectively promoted the successful implementation of digital transformation by optimizing management processes, innovating business models and enhancing

organizational capabilities. At the same time, it is also found that enterprises are facing multiple challenges in the process of digital transformation, such as rapid technology update, difficult organizational change, data security and privacy protection, which require enterprises to have strong technical strength, change management ability and compliance awareness.

This research has important guiding significance for the digital transformation of enterprises and the innovation practice of business administration. Enterprises should fully realize the importance and urgency of digital transformation and promote it as a key strategy to enhance the competitiveness of enterprises. In the process of digital transformation, enterprises should pay attention to the supporting implementation of industrial and commercial management innovation, and ensure the smooth progress of digital transformation by optimizing management processes and innovating business models. Enterprises should also strengthen investment in technology research and development and personnel training to enhance their technical strength and innovation ability.

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