Analysis of Influential Role of Digital Transformation in Enhancing Effective Business Management and Operations

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ABSTRACT

The use of technology in business has revolutionised the operations and methods of performance of business activities. It has primarily shaped small business activities and provides every company with a competitive advantage and economic opportunity. The owners and managers have incorporated technology in planning and business management to achieve growth and stability in the long run. This has streamlined the business process and provides room for expansion and effectiveness. The other significant benefits of using digital technology in business activities include reducing operating cost, securing essential information, improving the current communication process, and boosting employee productivity. The present research is based on analysing digital transformation's role in improving business management and operations to achieve an influential position. It has been observed that the use of technology has enhanced the performance of a business and empowered them to expand activities to more expansive areas and countries.

Keywords: Digital Transformation, Business Management, Effectiveness, Business Operation

I. INTRODUCTION

The business environment is in the process of continuous evolution. It brings many challenges and opportunities among the managers and leaders to ensure growth and success. Technology is one such revolution that provides managers with an opportunity for growth, expansion, and success. Modern technology allows the business to operate in practical ways that were not possible in the traditional business environment. Digitalised technology enables every employee to communicate better, helps the owners manage cost, and effectively sells products and services. Technology has supported the growth of business activities in a fast and reasonable way as compared to traditional business activities. Automated communication and marketing activities play a significant role in transforming business and boosting revenue and sales.

The statistical data suggest that 70% of the companies have started working on digital transformation. In comparison, 21% have already completed the digital transformation activities. The business owners have started investing highly in digital transformation activities to achieve a compelling positioning and competitive advantage (da Costa et al., 2019). Digital transformation helps in growth and meeting new regulatory standards. In the opinion of prominent business owners, it has been analysed that the most important reason for using digital technology is increased operational efficiency in sales and marketing and the role of leaders in influencing employee performance. The current report will focus on digital transformation in the various areas of business activities and leadership.

II. Data Analysis

Theme 1: Concept of Digital Transformation

Digital transformation refers to adapting to digital technology by creating new or modifying existing business activities, culture, and process and the customer experience to meet the contingency of market requirements. In the 21st century, there has been a new transformation with digital technology to enhance innovative business activities. In the traditional days, marketing, sales, customer experience and operational activities were conducted through paperwork and physical communication. Still, technology innovation has improved the way business operates and reaches excellence. The primary purpose of digital transformation is based on optimising the overall process, enhancing faster workflows, and focusing on core business activities through low paperwork. It allows
every employee to focus on their core job responsibility and gain high productivity and business profitability (Ziyadin et al., 2019).

The businesses to date have been dependent on paperwork and handwritten ledgers to gather information, retrieve and manage customer satisfaction. This was followed by using computers that helped in converting those paper records into computer files. This is known as the process of digitalisation that is the conversion of paperwork into computerised files. The use of digital technology has not only made finding and sharing information easy, but it also provides an easy way of managing familiarity with new users. The process has mainly been designed to achieve simplification of work and improved accessibility to data. The method of digitalisation starts and ends with customer satisfaction. The main aim is to enhance current services and create a new business type better than before.

Digital transformation helps shape the current methods of doing business and creating an entirely new class of activities. The digital age provides a practical, destructive and clever way of using the latest technology to convert the brick-and-mortar business method towards diversified and innovative ways of reaching customers (Mergel et al., 2019). It helps in offering on-demand services so that customer satisfaction can be achieved. The old customer service model has been reshaped, and the progressive method of extending the current offerings to meet customers’ changing needs has been executed. Digital Technology is being used in various areas of an organisation: communication, marketing, customer service, sales, data handling, and decision-making. It boosts the current effectiveness and provides long-term business stability in the form of competitive advantage.

**Theme 2: Overview of Digital Technology Used in the Business**

The use of digital technologies provides a new way of collaboration, connection, and conducting of business activities. It acts as a bridge between the internal business and the people touching all its core functions. Digital technology is available in various forms that help in reaching customers and reshaping business activities. It supports driving innovation and commercialisation. The most important aspect of using digital technology is the current level of marketing and sales performance. The use of social media platforms, search engine optimisation, audio-visuals, and others has helped manage a fully connected business and placethe products and services among customers. Marketing activities have been reshaped, allowing organisations and business leaders to reach a large and diversified customer base with just one click. Social tools such as Facebook, Instagram, and YouTube have become essential in providing customer knowledge about new products and services to be professionally managed in competitive situations (Verhoef and Bijmolt, 2019).

The business’s communication activities have been improved using intranet, chat rooms, group messaging, issue tracking, internal blogs, videos, and audios. This has helped in increasing team communication in a business. Communication plays an essential role in ensuring that job responsibilities are effectively handled as per the business aims and objectives. Using a digitalised tool helps in faster and transparent communication methods in business, thereby ensuring its completeness and effectiveness. The communication methods have been improved not only among the team members but also among the leaders and the customers. The current level of customer satisfaction has been enhanced through digital technology as now the business is available 24*7 to solve the customers’ queries and feedback (Chaffey et al., 2019).

The use of artificial intelligence and machine learning has improved the process of business operations. It has been expected that in the coming five years, a global investment of $17 billion is expected in the field of A.I. Artificial intelligence has helped in unlocking the current business activities and providing insight into exponential data and connectivity. It offers new ways to solve emerging problems and instantly design the system as per the business’s current requirement. Augmented reality is another technology that provides a seamless connection between the digital and human world. The main advantage of using augmented reality is the growth of quality and productivity at work. It provides an effective employee training method, knowledge transfer and customer support services (Sousa and Rocha, 2019).

**Theme 3: Role of Digitalisation on Business**

In the present-day business environment, digital technology is being used in every area of business. It is used from the planning stage to implementing new plans and feedback collection from customers to improve the current business activities as per the environment’s changing requirements. The most crucial benefit of using digital technology is the reduction of operational cost of businesses. The use of essential software helps automate the various back office and front office activities by providing record-keeping, accounting, and human
resource payroll management methods. The use of various mobile applications enables record expenses and monitor the cash flow to make better and improved decisions (Flyverbom et al., 2019).

Small companies may benefit from business technologies to enhance their collaboration processes. Emails, messaging, blogs, and tablets, for example, help businesses communicate with customers more effectively. Companies can saturate the existing model with their message by using a variety of I.T. coordination strategies. Via these electronic contact methods, businesses can often gain more customer input. In the process of application of technology, SMEs will improve their employees’ productivity. Employees can generally handle more information using computer applications and enterprise tools than by using manual processes. Business owners should also use automation to reduce the amount of human work used in such tasks. Small companies may stop paying payroll rates and health insurance because of this. Business can now access new markets due to technological advancements. Small and medium organisations have an option to enter state, worldwide, and overseas markets as an alternative of only selling buyers' goods or services in their regional market. In several economic sectors, a retail internet site is a highly prevalent way for small companies to advertise their goods (Khin and Ho, 2019).

Business technology helps organisations outsource business operations to other firms in the global and foreign market world. Outsourcing will help firms save expenses while encouraging them to concentrate on what they do best. Two standard functions that businesses outsource are technical service and customer care. Companies may also use outsourcing technologies to outsource functions to the least expensive sites, such as foreign nations. Organisations can retain a comparative edge over their competitors by using information infrastructure capabilities. Companies that pursue a first-mover approach will use information technologies to develop new goods, differentiate themselves from the competition, and improve customer experience. Migration of high-cost tasks to an online environment will also result in cost savings. The business organisation can provide consumers with email assistance at a reduced cost than just a live customer care call. Outsourcing opportunities, flexible job solutions, and lower-cost communication tools may all help you save money (Wirtz, 2019).

III. Conclusion

The above research provides an analysis that digital technology has completely transformed business activities and increased the current level of work efficiency. Technology is available in various forms and can be used by businesses to manage growth and success. It has been observed that technology provides an enormous benefit to the company in terms of operations, productivity, and profitability. The statistical data suggests that most businesses have shifted to digital technology to gain a competitive business position and assure success. Leaders and managers in most companies have been looking for the benefit of new technology in the various functions so that competitive advantage can be achieved. Technology is being used around human resource management, production, and creativity.

The main challenge with the use of digital technology is the lack of practical employee training. The use of technology requires effective training methods regarding the digital platform’s use of production and operational efficiency. Leaders’ role is vital in this aspect as it supports providing the necessary employee training so that digital technology can be used towards customer satisfaction and improved work experience of employees. The use of a digital platform helps in bringing rapid improvement in the process and business operations. It allows significant growth in the current methods of business and provides support towards diversification and business expansion.

REFERENCES


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