

## Current situation and analysis of enterprise digital transformation

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**Abstract:** At present, with the rapid development of high-tech technology, under the circumstance of increasing global economic pressure and economic downturn, digital transformation is no longer an option for many enterprises, but a necessary option. Under the influence of the epidemics epidemic, trade is blocked, commodity trade is lagging behind, personnel flow is limited, and economic development is hindered, but the development of digital economy shows a rapid momentum. The economic stagnation caused by the epidemics pandemic has also made digital transformation a new engine and driving force for the development of enterprise economy.

**Keywords:** Digital Transformation; Digital Industry; Digital Economy

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### 1. Analysis of the overall status quo of enterprise digital transformation

In recent years, digital economy has been driving economic development with a strong momentum of development, and has played a key role in optimizing resource allocation and reshaping economic and industrial patterns worldwide. Technologies such as cloud computing, artificial intelligence and big data have promoted exponential growth of productivity, enabled the development of primary, secondary and tertiary industries, and sustained expansion of economic scale. Forcing the digital transformation of enterprises. The CPC Central Committee and The State Council attach great importance to the innovative power brought by data penetration into traditional industries. In important central documents such as the 14th Five-Year Plan and the 2035 Vision Target Outline, the transformation and development of enterprises in the new era have been repeatedly emphasized and promoted to a strategic development position. On this premise, the digital scale of China's industry in 2021 reached 37.2 trillion yuan, accounting for 32.5% of GDP, among which the value added scale accounted for 7.3% of GDP, a huge achievement doubled compared with 2016. The industrial and service industries are increasingly active, and the agriculture covering a wide range of areas has also achieved initial results.

In popular sense, the digital transformation of enterprises revolves around the way of using emerging technologies to restructure the industrial chain, paying attention to customer experience in order to form a pathway and occupy market share faster. From a global perspective, more and more enterprises take a more active attitude to carry out digital transformation and development, actively explore innovation paths, and increase digital gains. On the other hand, Enterprises use digital technology to extend the industrial chain, optimize the enterprise development process, adjust the enterprise operation management system through data integration, gradually expand from a single data to information, knowledge, intelligence to achieve a comprehensive transformation to digital, increase the driving force of enterprise development. Digital transformation has promoted the integration and interworking of the global industrial chain and cross-border union. The digital transformation of various enterprises has greatly reduced the cost of obtaining information and deepened the degree of resource sharing. At the same time, the competition among various enterprises on the underlying logical level of digital transformation has become more fierce. In China, the digital transformation of Chinese enterprises focuses on the optimization of management system, visual operation, one-stop service, cross-border e-commerce, DTC and other marketing means innovation, and so on. Both the government and the enterprises themselves are increasing their investment in digital technology and talents year by year, and the digital management and marketing mode has been greatly enriched. The Internet of

Things and blockchain technology have achieved progress, and their application scope has been expanded. Chinese enterprises expand their competitive advantages and improve their efficiency by virtue of digital transformation, and also drive foreign-funded enterprises in China to the road of transformation, creating unique development experience for the world <sup>[1]</sup>.

## **2. Obstacles and solutions to enterprises' digital transformation**

At present, the enthusiasm of enterprise digital transformation is still high, but the road of enterprise digital transformation is not optimistic. In this context, it is particularly necessary to analyze the obstacles and misunderstandings of the company's digital transformation, and how to improve the success rate of the company's digital transformation has also become a difficult problem <sup>[2]</sup>.

### **2.1 Organizational structure obstacles and solutions for enterprises' digital transformation**

The awareness of digital transformation can not only stay on the surface of technology, technology can be quickly acquired through learning and training, personnel optimization, but how to change the structure of the organization and optimize the organization is a protracted battle. Many enterprises reflect that the digital transformation has brought some improvements but no continuous retention, which also shows that the organizational structure is a process of continuous change and timely adjustment.

Action: The way to solve the organizational structure can be through reforming the way of working and the culture of the organization. Enterprises can change the way of working and adapt to the new pace. For example, the reform of China Resources Data Science, in order to improve the governance ability of the company, China Resources Data Science has carried out a comprehensive upgrade and management of its "triple and one big", Internet + supervision and conference, which has greatly improved the management efficiency of the company.

### **2.2 The enterprise digital transformation budget limitation, input-output difficult balance obstacles and measures to solve**

Digital transformation is a systematic project involving the whole business of an enterprise and transcends functions. To truly reap the rich fruits of digitization, fundamental reforms must be implemented and fully deployed. Hence the need for investment. However, due to the complexity of digital transformation, there are some situations in which investment returns slowly and the period is long. The cost of upgrading the old system and the cost of trial and error running-in the new system. If the benefits of transformation are not obvious in the short term, many enterprises prefer to keep the status quo. Some enterprises are eager to achieve success, and use the old performance standards to measure the transformation effect, and do not establish a targeted evaluation system according to the actual situation and deployment plan of the enterprise, it is difficult to make phased and gradual evaluation results on the digital transformation process and actual value. In this case, enterprises may question the value of digital transformation in the short term, leading to weak sustainability of subsequent digital investment, and eventually forming a vicious circle, so that digital transformation cannot be realized in a timely manner. The difficult balance between input and output actually reflects the contradiction between the embodiment of value and continuous investment <sup>[3]</sup>.

Countermeasure: Establish multiple evaluation indexes of value. A single economic efficiency index is difficult to adapt to the sustainable development of enterprises. Data governance, social groups' rights and interests, sustainability and other factors are used to evaluate the effectiveness of enterprises' digital transformation, instead of focusing solely on material output.

### **2.3 The continuity of enterprise digital transformation does obstacle and the solution measures**

The digital transformation of enterprises must be continuous and complete, in many enterprises on the road of digital transformation, there may be some core technical staff leaving, or even CIO leaving, this situation makes the original digital strategy of enterprises is very difficult to continue, the original digital transformation strategy will basically not be retained by the enterprise, for the digital transformation is interrupted, most enterprises will choose to interrupt digital transformation, or give up digital transformation.

The digital transformation boom and the competition among enterprises about digital transformation has gradually developed into

the competition for digital talent resources, which inevitably faces the problem of digital talent loss, which has also become one of the obstacles to the digital transformation of enterprises, in order to effectively solve this obstacle, the essence of the method is to prevent digital talent loss, enterprises must pay real attention to the respect for digital talent Ideas, while giving certain incentives to establish favorable conditions, enterprises should maintain investment in talent acumen, especially CIO such top talent, the employment of an excellent CIO will greatly improve the success rate of digital transformation.

### **3. Summary**

Digital industry is an industrial organization situation developed under the background of digital economy. The national digital industrial belt has experienced a nearly 30-fold growth from 2013 to 2021. For enterprises, the success of digital industry means the attainment of more competitive edge, the improvement of enterprise performance and the decrease of enterprise cost. In this era, challenges and opportunities coexist. At present, the digital transformation of enterprises still has infinite possibilities in all aspects, but at the same time, there are also many shortcomings in the digital transformation of enterprises. How to effectively solve these problems and occupy the top spot on the digital runway is an important issue for enterprises to think about. Will bring more surprises to the national economy, will bring new opportunities to their own development.

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