Volodymyr Khytrov, Postgraduate Student
National Aerospace University "Kharkiv Aviation Institute"
Kharkiv, Ukraine

DOI: https://doi.org/10.30525/978-9934-26-650-8-13

CONCEPTS OF BUSINESS DIGITAL TRANSFORMATION STRATEGIES IN THE CONTEXT OF INNOVATIVE CHANGE

In the contemporary context of global transformation and the intensification of technological progress, digitalisation is no longer merely an auxiliary tool for enhancing operational efficiency. It determines a fundamental strategic trajectory of development that shapes an enterprise's long-term viability. The strategic imperative to transition towards digital models is driven by profound shifts in the paradigms of competitive interaction and by the need to sustain development in an unpredictable environment. Today, adaptation to digital challenges is critical for business survival, as it requires not a fragmented adoption of technologies but a comprehensive reconfiguration of activities. This underscores the need for rigorous scholarly reflection on conceptual models capable of structuring the transformation process while ensuring a balance between innovation pressure and organisational stability.

Contemporary digital transformation strategies must satisfy stringent relevance criteria, among which adaptability, ecosystem orientation, and deep analytical maturity are paramount. The effectiveness of strategic planning in an innovation-driven economy depends directly on management's capacity to integrate network effects and flexible organisational structures into a unified development management system. Various concepts of digital transformation strategies under conditions of innovative change may be considered.

The first is the concept of dynamic capabilities [1; 2], grounded in a strategic triad: sensing, seizing, and reconfiguring. In the context of digitalisation, this model operates as a foundational mechanism for continuous innovation. The sensing process entails not merely environmental scanning but the application of big data analytics to identify emerging patterns of consumer behaviour and threats from disruptive innovations. Seizing involves timely investment in digital infrastructure and the rapid prototyping of business ideas. Reconfiguring,

in turn, requires systemic changes to business processes and organisational culture in order to scale digital transformation.

Particular importance is attached to ICT and data architecture, which not only accelerate the sensing of market transformations but also fundamentally reshape the ways opportunities are realised through platform interaction. To evaluate the effectiveness of this strategy, specialists should employ formalised metrics, including revenue growth rates, market share dynamics, and indicators of capability strength, such as the speed of opportunity identification and structural adaptability. Dynamic capabilities enable digital challenges to be converted into sustainable competitive advantages, making renewal an embedded function of the enterprise.

The second concept is the ambidexterity strategy in digital transformation [3; 4]. This approach proposes a complex balancing mechanism between the exploitation of existing capabilities and the exploration of radically new directions. It requires enterprises to optimise the current business model through digitalisation while simultaneously creating fundamentally new, often disruptive, revenue sources. This necessitates overcoming the "exploitation trap", where excessive focus on current returns leads to strategic stagnation and the erosion of innovative potential.

Successful implementation of this concept depends critically on dual-focus leadership that reconciles short-term performance with long-term development. Strategic management in this context calls for organisational separation, namely the creation of autonomous units for innovation experiments alongside the maintenance of synergies with the core business. Such an approach preserves operational stability while introducing digital flexibility, with data serving as a shared asset for both development trajectories.

The third concept is a data-driven strategy [5; 6]. The transition to this strategy marks an evolution in managerial logic from subjective intuition to objective analytics grounded in empirical evidence. The key resource in this case is the enterprise's analytical maturity. Implementation encompasses three sequential stages: information management (ensuring data accuracy and integration), decision-making based on statistical models and forecasts, and, ultimately, the creation of a new value proposition through strategic reconfiguration.

The establishment of a data governance culture constitutes the foundation of this model, as it requires managerial readiness at all levels to trust algorithms and identified patterns. Data do not merely optimise

internal processes; they become a strategic resource for designing flexible next-generation business models. Analytical management thus creates the preconditions for successful integration into complex network structures, where information flows underpin value creation.

The fourth concept is the platform strategy as a network-based development model [7; 8]. It reflects a transition from linear value chains to network models in which the enterprise evolves from a product manufacturer into an ecosystem architect. The implementation process comprises four critical phases: core and architecture design, attainment of a critical mass of users, strategic leadership through innovation expansion, and the development of strategies to safeguard platform evolution.

Special attention should be paid to mechanisms for managing network effects through modular architecture and the standardisation of interaction protocols. These mechanisms facilitate the effective engagement of complementors and the creation of entry barriers for competitors. Within this strategy, management may apply bundling and other defensive tactics to protect market positions. A well-developed platform becomes a foundation for advancing towards a higher level of coordination – ecosystem interaction.

The fifth concept is the ecosystem strategy [9]. It captures the shift of competition from the level of individual enterprises to the level of integrated networks of interdependent partners. Success within this model depends on an enterprise's ability to coordinate joint value creation. Digitalisation acts as a catalyst for ecosystem development by providing a unified infrastructure and accelerating innovation cycles. Managing complex interdependencies within such networks enables the achievement of sustainable advantages through the synergy of multiple participants' efforts.

The analysed concepts make it possible to distinguish five key features of digital transformation as a strategic process: innovativeness encompassing both the internal environment and market leadership; continuity of organisational renewal through cycles of sensing and reconfiguration; strategic balance between operational stability and disruptive innovation; analytical governance, where decisions are determined by the objective value of data; and the transformation of market roles from an isolated actor to an architect of network interaction and an ecosystem leader.

References:

1. Teece D. J., Pisano G. Shuen A. (1997) Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, no. 18, pp. 509–533.
2. Teece D. J. (2018) Business models and dynamic capabilities. *Long Range Planning*, vol. 51, iss. 1, pp. 40–49. DOI: https://doi.org/10.1016/j.lrp.2017.06.007.
3. Tushman M. L., O'Reilly C. A. (1996) Ambidextrous Organizations: Managing Evolutionary and Revolutionary Change. *California Management Review*, no. 38 (4), pp. 8–29. DOI: https://doi.org/10.2307/41165852.
4. Birkinshaw J., Gupta K. (2013) Clarifying the Distinctive Contribution of Ambidexterity to the Field of Organization Studies. *Academy of Management Perspectives*, no. 27 (4), pp. 287–298. DOI: https://doi.org/10.5465/amp.2012.0167.
5. Lavalle S., Lesser E., Shockley R., Hopkins M.S., Kruschwitz N. (2010) Analytics and the new path to value. *IBM Institute for Business Value & MIT Sloan Management Review*, 24 p. Available at: https://public.dhe.ibm.com/software/data/sw-library/cognos/ch/de/Analytics_Thenewpathtovalue.pdf.
6. Bharadwaj A. El Sawy O. A. Pavlou P. A. Venkatraman N. V. (2013) Digital Business Strategy: Toward a Next Generation of Insights. *MIS Quarterly*, no. 37 (2), pp. 471–482.
7. Gawer A., Cusumano M. A. (2002) Platform Leadership: How Intel, Microsoft, and Cisco Drive Industry Innovation. Boston, Harvard Business School Press, 305 p.
8. Cusumano M., Yoffie D., Gawer A. (2020) The Future of Platforms. *MIT Sloan Management Review*, 11 p.
9. Adner R. (2017) Ecosystem as structure: An actionable construct for strategy. *Journal of Management*, vol. 43, iss. 1, pp. 39–58. DOI: https://doi.org/10.1177/0149206316678451.
10. Revenko D., Romanenkov Y., Polozova T., Lebedchenko V., Molchanova K. (2024) The impact of digitalization on the economic growth of the European Union: an empirical study. *Eastern-European Journal of Enterprise Technologies*, vol. 3(13(129), pp. 46–56. DOI: https://doi.org/10.15587/1729-4061.2024.304256.