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Exploration of the Transformation of the Business Management Model of Traditional Enterprises in the Era of Digital Economy

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Abstract

Digital technology continues to penetrate into the field of production and operation, and the market environment, competition mode and management conditions faced by traditional enterprises have changed significantly. The original business management model gradually shows inadequacy in organisational operation, resource allocation, business decision-making and risk control. The digital economic environment requires enterprises to re-examine the value positioning of business management and integrate digital technology, data resources and management systems into a unified business management framework. Traditional enterprises need to promote the adjustment of management mode from the level of management concept, organisational structure, decision-making mechanism and business process, and form a management system that matches the digital business environment. The transformation of enterprise digital business management is not simply the addition of information tools, but the systematic adjustment of management objects, management methods and management processes. Enterprises can improve the standardisation of management activities and the efficiency of business resource allocation by improving the digital management system, strengthening data resource governance, optimising the organisational coordination mechanism, improving business processes and strengthening digital risk prevention and control, and providing references for traditional enterprises to improve management efficiency and market adaptability.

Keywords

Digital Economy; Traditional Enterprises; Business Administration; Digital Transformation; Business Decision-making.

1. Introduction

The development of the digital economy has changed the operating conditions of enterprises' production and operation activities, and the ways in which enterprises obtain information, allocate resources, organise business and carry out marketing activities are constantly adjusted. The long-term business management model formed by traditional enterprises has a relatively stable organisational hierarchy and business process. Management information mainly relies on manual transmission, and business decision-making relies more on the experience of managers. There are situations such as information dispersion, cross-cutting responsibilities and insufficient coordination efficiency between departments. Digital technology has improved the information processing capacity of enterprises and changed the operating logic of management activities. Business management needs to gradually change from experience-oriented to data support, from departmental segmentation to business coordination, and from static management to dynamic management[1-2]. Traditional enterprises need to determine the focus of transformation in combination with their own business foundation, organisational scale and digital capabilities to carry out the transformation model, so as to avoid simply

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understanding digital construction as software procurement or equipment update. Managers need to clarify the relationship between digital technology and corporate governance. Enterprises need to reallocate management resources and improve the institutional system and operation mechanism. The digital transformation of the business management model can improve the internal management order of enterprises, provide more stable information support for enterprise business activities, and enhance the ability of enterprises to respond to market changes.

2. The Actual Requirements for the Transformation of the Business Management Model of Traditional Enterprises in the Era of Digital Economy

The development of the digital economy has changed the business environment and management mode of traditional enterprises. The speed of information flow has accelerated, market demand has changed frequently, and the scope of business collaboration has expanded, which has put forward higher requirements for the flexibility, timeliness and digitalisation level of industrial and commercial management. Traditional enterprises need to change the management mode of over-reliance on hierarchical control and functional division of labour, and improve the information collection, transmission and feedback mechanism, so that business data can enter the management decision-making link in time. At the same time, enterprises should improve the management system in combination with the characteristics of digital business, clarify the responsibilities of data collection, use, sharing and maintenance, and avoid information isolation and management disconnection. Business managers also need to improve their digital literacy, master basic capabilities such as data analysis, intelligent management system and information security, and enhance the application level of digital tools in business management. As shown in Table 1, enterprises should also optimise the management evaluation system, combine business results with process management, resource utilisation, collaborative efficiency and other contents, and promote the transformation of business management from traditional control to data-driven, collaborative efficiency and dynamic adaptation, so as to better cope with market changes in the digital economic environment.

Table 1. Actual requirements for the transformation of the business management model of traditional enterprises in the era of digital economy

Practical Requirements	Specific Manifestations
Improve the efficiency of information management	Improve information collection and feedback mechanisms to keep abreast of operational changes.
Improve digital management systems	Clearly define responsibilities for data collection, use, sharing, and maintenance.
Enhance managers' digital literacy	Develop basic competencies in data analysis, intelligent systems, and information security.
Optimise management evaluation methods	Shift from single-result assessment to a comprehensive evaluation of operational processes, resource utilisation, and management quality.
Improve market adaptability	Adjust management mechanisms to enhance enterprises' flexibility in responding to market changes and facilitating business collaboration.

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3. The Transformation Direction of the Business Management Model of Traditional Enterprises in the Era of Digital Economy

3.1. Strengthen Digital Thinking and Reshape the Concept of Enterprise Management

The digital economy continues to change the business environment of enterprises, and the management philosophy of traditional enterprises needs to adapt to the management requirements brought about by the wide application of digital technology. In the past, some enterprises relied more on the experience of managers to make business judgements. Management activities emphasised institutional implementation and hierarchical control[3]. The way of information flow under digital conditions has changed, and enterprise managers need to establish a clearer data awareness and digital governance awareness. Enterprises can integrate digital concepts into strategy formulation, resource allocation, market management, human resources management and other fields, so that managers can analyse business problems from data value and business needs. Enterprise management also needs to change their understanding of digital construction[4]. Digital technology should not be simply understood as an update of office software, information system or equipment, but should be regarded as an important condition for promoting the adjustment of the management mechanism. Enterprises need to strengthen the construction of digital management system, clarify the requirements for data collection, analysis, use and maintenance, and guide employees to form standardised working habits for the use of digital tools. The transformation of management concept can provide a basis for organisational adjustment and process optimisation, so that business management can gradually form a more flexible and accurate operation mode, and improve the management ability of enterprises to respond to market changes.

3.2. Break Down Organisational Barriers and Improve Internal Coordination Efficiency

The expansion of enterprise business scale and the in-depth application of digital technology have made the traditional functional organisational structure face new operation requirements. Each department within the enterprise assumes different management responsibilities, and the information transmission and business connection between departments will directly affect the overall efficiency of business activities. If the traditional organisational system overemphasises departmental boundaries, it is easy to cause information dispersion, cross-responsibilities and increased communication costs. The business management model needs to readjust organisational relations around business processes. Enterprises can establish a cross-departmental collaboration mechanism according to their core business, clarify the management responsibilities, information authority and work connection requirements of different positions, so that all departments can work around common business goals. The digital management platform can provide a unified information transmission channel for enterprises, and managers can use the system to grasp the business progress and the completion of departmental tasks. Enterprises also need to adjust the performance evaluation method, include departmental collaboration, information sharing and business connection in the scope of evaluation, and reduce the impact of single departmental goals on the formation of overall business goals. The restructuring of the organisational system does not simply reduce the management level, but needs to optimise the allocation of powers and responsibilities according to the business characteristics of the enterprise, and promote the transformation of industrial and commercial management from departmental division of labour to business coordination[5-6].

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3.3. Rely on Data Empowerment to Optimise the Business Decision-making Mechanism

The speed of change of market demand is accelerating, and the business decision-making of enterprises has put forward higher requirements for information quality and feedback speed. The traditional decision-making method that relies on experience judgement needs to be adjusted. Enterprise business activities will generate a large amount of sales, customer, cost, inventory and financial data, which can reflect the operating status of different business links of the enterprise. Enterprise business management can establish a data index system around business goals and transform decentralised business information into data resources with management value. Managers need to clarify the data sources, analysis standards and evaluation scope of different business matters to reduce the impact of inconsistent information calibre on management judgement. Enterprises can establish a regular analysis system for business data, dynamically monitor core business indicators, and adjust resource allocation and business plans according to data changes. Data analysis cannot replace the professional judgement of managers. Enterprises need to combine data results with strategic goals, market environment and business reality to form decision-making plans. The adjustment of the business decision-making mechanism can improve the problems of information lag and insufficient judgement basis in traditional management, so that enterprise managers can more accurately grasp the business status. By improving the process of data collection, analysis and feedback, enterprises can promote the development of industrial and commercial management in the direction of refinement and dynamization.

4. The Practical Path of Digital Transformation of the Business Management Model of Traditional Enterprises

4.1. Build a Digital Business Management System for Enterprises

With the accelerated development of the digital economy, data, platform and intelligent technology are gradually integrated into all aspects of enterprise operation and management. The original management system of traditional enterprises faces various problems. Building a digital business management system has become an important path for enterprises to adapt to changes in the business environment and improve management efficiency. Taking the practice of Haier Group's Chaos Industrial Internet Platform as an example, its digital transformation is not limited to the construction of a single information system, but integrates intelligent manufacturing, supply chain, procurement and other business capabilities to form a digital system covering enterprise management and industrial coordination[7]. According to Haier's official data, in 2021, Chaos cooperated with Chery Automobile to build an industrial Internet platform, empowering 401 upstream and downstream small and medium-sized enterprises, reducing the production costs of relevant enterprises by 15% and improving production efficiency by 50%. Up to now, Chaos has linked 900,000 enterprises and served 160,000 enterprises. As shown in Figure 1, the original production cost is calculated as 100%, and the cost after digital empowerment decreases more, of which 15% reflects the cost reduction brought about by digital management. This case shows that traditional enterprises need to unify data standards, business processes, organisational management and digital platforms to build a digital business management system, so that technical tools can be truly embedded in the business management process, and continuously evaluate the results of digital construction through cost, efficiency and other indicators, so as to promote industrial and commercial management Decentralised management has changed to systematisation, collaboration and dataization.

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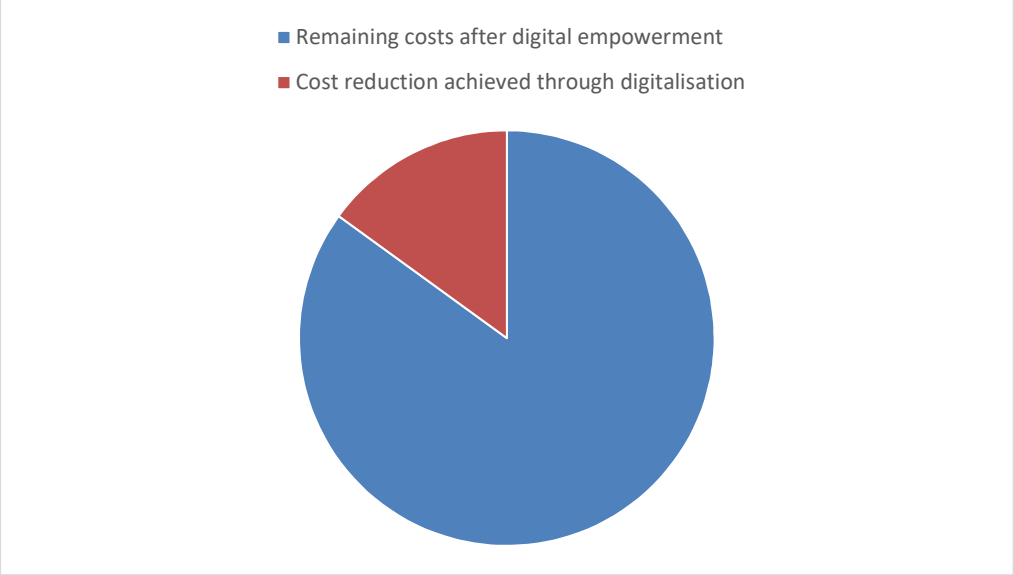


Figure 1. Changes in production costs of Chaos digitally empowered enterprises

4.2. Establish a Data-driven Business Decision-making Mechanism

There is a close relationship between the quality of enterprise management decision-making and information acquisition ability. The digital environment provides new conditions for traditional enterprises to improve the decision-making information base. Enterprises need to establish a business data index system according to the core business, and integrate market information, customer information, sales data, cost data and financial data into the unified analysis scope. The data management department needs to clarify the data collection standards, the business department needs to complete the information entry according to the unified requirements, and the management personnel need to select data indicators with actual management value according to the business objectives. Enterprises can establish a business data analysis system, set a reasonable monitoring cycle for key business indicators, and identify abnormal changes in business operation in a timely manner. Data analysis results need to enter the business meeting, performance evaluation and resource allocation process, so that the data can truly participate in enterprise management decision-making. Enterprises also need to clarify the subject of data responsibility to prevent problems such as inconsistent data calibre, duplicate information entry and data quality decline from affecting decision-making and judgement[8]. When using the data analysis results, managers need to make a comprehensive judgement in combination with the strategic goals of the enterprise, the industry environment and the actual business. The data-driven mechanism can improve the transparency of enterprise business information, enable managers to more accurately grasp the business operation status, and provide a stable basis for resource allocation and business adjustment.

4.3. Optimise the Internal Organisation and Business Processes of the Enterprise

In the digital economic environment, enterprise business activities show the characteristics of accelerated business coordination, accelerated information transmission and shortened market response cycle. The original departmental division of labour and business processes of traditional enterprises are prone to problems such as repeated information input, high communication costs and more examination and approval links, which is difficult to adapt to the requirements of digital business. Enterprises need to re-sort business processes such as procurement, production, sales, finance and human resources in combination with digital technology, reduce unnecessary management links, and promote different departments to cooperate around business data. Take the Guangzhou Nansha factory of Midea Group as an

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example. After the digital transformation, the enterprise promotes the coordination of orders, production and supply chain through the industrial Internet platform, and the efficiency of production organisation is improved. The specific data is shown in Figure 2. Enterprises can learn from this case, establish a cross-departmental collaboration mechanism according to their own business characteristics, use the digital system to realise task assignment, process tracking and information sharing, and simultaneously adjust job responsibilities and performance evaluation standards, so that the organisational structure and business processes match each other, reduce internal information loss, and improve the overall enterprise. Operation efficiency.

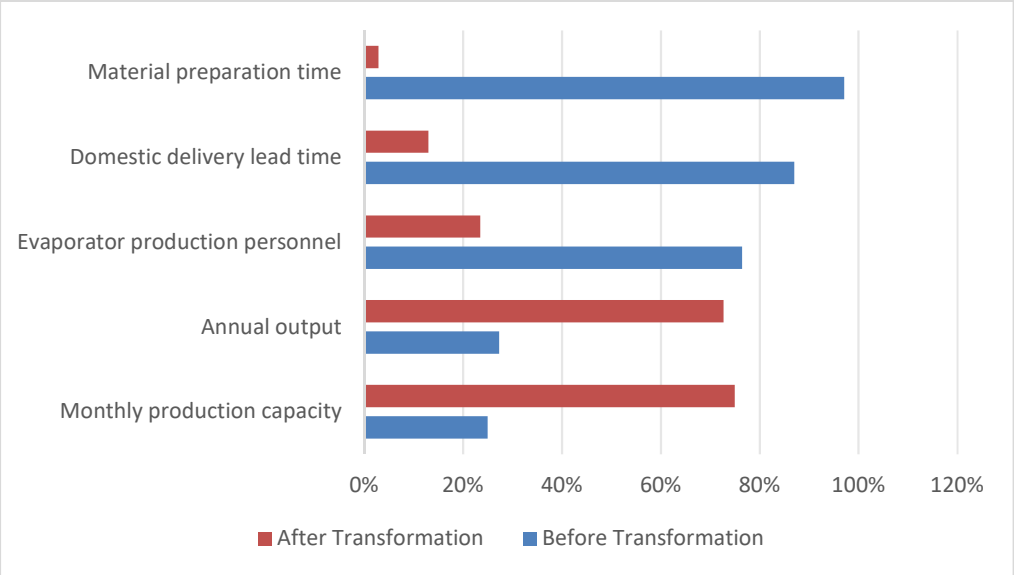


Figure 2. Comparison of data before and after the digital transformation of Nansha factory in the United States

4.4. Improve the Risk Prevention and Control Mechanism of Digital Transformation

With the continuous improvement of the degree of digitalisation of enterprise management, risk factors such as data security, system operation and management authority have entered the scope of industrial and commercial management. Enterprises need to establish a risk prevention and control mechanism that matches the digital business. Enterprises can divide data management authorisation according to data types and business importance, and clarify the scope of data access, modification and use of different positions. Information system managers need to establish a system operation monitoring mechanism to record and process system failures, data anomalies and permission changes. It is necessary to improve the data backup, information recovery and emergency handling system within the enterprise to ensure that the basic operation of the business system can be maintained after any abnormality. Employees' digital operation behaviour also needs to be included in the scope of risk management. Enterprises can reduce the risk of human operation through permission control, operation records and regular training[9-10]. Enterprise management needs to establish a digital risk evaluation mechanism and regularly check the data management system, system operation status and internal control implementation. Digital risk prevention and control cannot be limited to technical departments. Business management, human resources, finance and business departments all need to bear corresponding responsibilities. After the enterprise forms a risk prevention and control system covering system, technology, personnel and business processes, it can reduce the risks of information leakage, system interruption and

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authority out of control in the process of digital management, and provide a guarantee for the continuous operation of the business management model.

5. Conclusion

In summary, the development of the digital economy has promoted changes in the operating environment and management conditions of traditional enterprises, and the business management model needs to adjust the operation mode according to the application of digital technology and market demand. Traditional enterprises should change the management concept, strengthen the awareness of digital governance, and integrate data resources into the daily business management system; enterprises need to optimise the organisational system, improve the departmental collaboration and business connection mechanism, and improve the internal management efficiency; enterprises should also update the business decision-making mechanism, and use data analysis to improve the level of information utilisation and Decision-making accuracy. At the practical level, enterprises need to improve the digital business management system, optimise internal business processes, establish a standardised data management system, and improve the risk prevention and control mechanism of digital transformation. The digital transformation of the business management model needs to be continuously promoted in combination with the enterprise's own foundation. Through the coordinated adjustment of management concept, organisational structure, decision-making mechanism and risk management, it gradually forms a modern enterprise management model that adapts to the requirements of digital economic development, and provides management support for the improvement of business efficiency and sustainable development of enterprises.

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