DIGITAL TRANSFORMATION FRAMEWORK EXPLAINED

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ABSTRACT

Today, a lot of firms are investing in thought and behaviour change to bring about a traditional transformation in the way work is done by taking advantage of the great technological development that is taking place to serve the beneficiaries faster and better, as digital transformation provides huge potential to build effective and competitive sustainable societies, by making a deep change in the services of various parties (e.g., consumers, employees, beneficiaries), while improving their experiences and productivity through a series of proportional processes, accompanied by reformulating the necessary procedures for activation and implementation. Digital transformation requires enabling a culture of creativity in the work environment, and includes changing the basic components of work, starting with infrastructure, business models, and ending with digital marketing of services and products.

Keywords: Digital, Transformation, Digital Marketing, Technology, Accounting, Information Big Data etc.

INTRODUCTION

Digitalization is a transforming analogue knowledge and information to become a stored digital form of knowledge and information. This provides easier access to knowledge and information in real-time and enables a global exchange between people and plugged in digital appliances... “Digitalization”, “big data” and “data analytics” having a significant impact upon professional practices at individual, organizational, national and international levels are also omnipresent in the financial sector – regardless of company size and industry. Digitalization will bring major changes to all companies. Besides the change in entire core business models, digitalization particularly encompasses support functions such as accounting. Digitalization is the transitioning of accounting and reporting documents and storage from a traditional paper-based system to an electronic format. Digital learning is any type of learning that is accompanied by technology or by instructional practice that makes effective use of technology. It encompasses the application of a wide spectrum of practices in the field of accounting and finance. The companies with digital transformation are occurring not only in the core operational areas along the value-added chain, but also in the central functions such as purchasing, human resources, accounting and finance. It also holds the processes and systems in accounting at a rapid pace. In this comfortless image of digitization in India, the ICT (Information & Communication Technology) revolution has paved the way to introduce some breakthroughs in different spheres like banking, education, health and business.

Definition of Digital Transformation

Digital transformation is defined as the process of companies moving to business models based on digital technologies and developments accompanying the Fourth Industrial Revolution (Vial, 2019) through the use of artificial intelligence, big data analytics, cloud computing, and the internet of things to support the development and innovation of products and services (Akter et al., 2020), and provide new marketing capabilities and job opportunities that increase the value of their products (Phornlaphatrachakorn & Na Kalasindhu, 2021).

ASPECTS OF DIGITAL TRANSFORMATION AFFECTING ACCOUNTING INFORMATION SYSTEMS

The great digital revolution in the Internet and communications networks led to a wide and rapid change in the business environment, which made it imperative for organisations to keep pace with these huge developments to move accounting and management information systems from classic methods to modern digital methods (Andreassen, 2020). We do not mean here information systems that depend on computers and various applications, and traditional accounting programs, which have outlived time globally after the emergence of digital entities, which have revolutionized the pattern of business conduct by setting standards that allow each facility to choose technologies commensurate with the nature of its work such as artificial intelligence, Internet of Things, Blockchain technologies, Big Data, Cloud Computing, and Cyber Security (Begum, 2019). These technologies will allow increasing transparency and reducing cost, saving effort and time, facilitating data access, protecting data and enhancing efficiency in the work of the accounting information system (Oncioiu et al., 2019).

Blockchain: It is an information network that contains a group of devices or nodes, each of which represents a database and a ledger, where all transactions that take place within the network are subject to verification and confirmation of their validity by the rest of the network devices (Akter et al., 2020). This technology helps in developing accounting information systems by giving transparency and moving from double entry to more automatic triple entry in record keeping. Accounting reduces the margin of error in preparing financial reports and shortens the time and effort expended by accountants, as the accounting recording of transactions will be directly in a common ledger among all dealers in the chain, thus creating more intertwined accounting systems (Faccia, 2019).

Cloud Computing: It is not just a technical solution or a server that has been stored and has another impact, but rather a form of digital transformation that improves the implementation of accounting work (Demiröz & Heupel, 2017). The most important advantages of cloud computing are saving effort and time and thus reducing cost, speed in processing and data storage, scalability, data protection, easy data connectivity, ensuring services are always running, and benefiting from the huge infrastructure provided by cloud services (Al-Zoubi, 2017).

Big Data: It represents a huge amount of complex data that exceeds the capacity of traditional software and computer mechanisms to store, process, and distribute them (Yao & Gao, 2020). Big data can be used in accounting as it enables companies to benefit from the analysis of data generated by financial markets and social media to identify their audience and predict the results of marketing and sales campaigns.

It seems that, with every passing year, technology advances a little more, providing us with more extraordinary innovations and ways of doing things. The sheer volume of technological breakthroughs is often overwhelming, especially if you’re trying to run a business. Consumers love the latest and the greatest, and if you’re not transforming your business and keeping up, then your competitors no doubt will, leaving you and your old-fashioned technology in the dust but that need not be the case. Companies that embrace digital transformation improve their processes, offering newer, better services to their customers. Digital transformation frameworks provide businesses with a roadmap of transformation strategies that take the guesswork out of the process.

Let's look at digital transformation frameworks; what they are, why they're essential, their advantages, and how to apply them. If your company is interested in keeping up with technology and the competition.

What is a digital transformation framework?

Before we define a digital transformation framework, we should first establish what digital transformation is. Digital transformation uses the latest technologies to improve and enhance current processes and provide new, improved products and services. Digital transformation creates value by altering how a business operates and delivers value to its customers.

Digital transformation also represents a shift in business culture, requiring businesses to experiment often, challenge the established way of doing things, and accept occasional failure. This change in philosophy includes shedding procedures that have been around forever because "we've always done it that way. "Digital transformation is a critical process for any company or organization regardless of size or industry (e.g., utilities, manufacturing, retail, banking).Simply put, it is a system of rules, a long-term strategy used to guide businesses through the tricky landscape of digital transformation. It's a tool used chiefly by organizational leaders and consultants to analyze a company to help it reposition itself in today's digital economy.

These frameworks provide a blueprint, a formal plan that includes checklists, benchmarks, and standardized sequences to help a business become a more digital-friendly entity and continuously grow and evolve.

Why is a Digital Transformation Framework Important?

Digital transformation frameworks are essential for today's businesses because it provides a strategy to help companies survive disruption by adapting to current technologies. Disruption refers to the rise of external developments that risk changing the way industries work. For instance, the advent of the automobile resulted in serious disruption of the horse and buggy industry, the development of long-haul trucks disrupted the railroad industry, and streaming video has disrupted the movie theatre industry.

In other words, these are the go-to resource for protecting businesses from digital disruption.

What Makes a Good Digital Transformation Framework?

Digital transformation frameworks provide significant benefits for businesses functioning in the 21st century. Digitization's proliferation rate is exceeding the speed at which industries can change. This disparity leaves leadership struggling to find ways of keeping up. Consumers love new technology and seem keenly aware of new developments, things that they expect their favourite businesses to incorporate as soon as possible. Many organizations don't have a standardized digital transformation strategy. Businesses that do have them gain a significant competitive advantage (harkening back to the second point). Digital advances aren't just for the customers' sake. New digital solutions stand to benefit businesses by helping them become more cost-effective, efficient, and secure. Digital transformation frameworks facilitate digital adoption, which helps businesses deal with IT-related issues such as cloud computing, massive data flows, and diverse endpoints (e.g., tablets, smartphones, laptops, older desktops).Digital transformation frameworks are reusable. Rather than spending time, effort, and expense formulating a transformation strategy every time a new form of technology happens, leadership only needs to refer to the established framework. The framework is a "one size fits all" tool, suitable for incorporating any innovations that present themselves.

What Are the Features of a Good Digital Transformation Framework?

A good digital transformation framework provides these benefits:

- Provides efficiency and consistency by enhancing performance
- Improves business process
- Increases employees' productivity
- Facilitates constant communication across all the business departments
- Meets the customers' expectations
- Creates coherent business strategies

There are many different types of frameworks to choose from, each offering a unique digital transformation approach. Here is a list of eleven features that an excellent framework should include. A set of goals for the transformation strategy. These goals are both long and short-term. There is a lot to do, so a step-by-step approach works best. Each completed step represents an achieved goal.

A digital transformation teams. Digital transformation is a huge undertaking, so it's best to have a team dedicated to the work. This team is a cross-functional body that guides the company through the digitization process and adopts new operating models. The transformation team can be drawn from in-house personnel or outsourced.

Dissect current operating models. The best way to understand how digitization can help your company is by becoming familiar with the current methods of doing things. Break down the current workflow into steps, then see how software and digitization can improve each one.

Incorporate a customer enhancement strategy. Companies undergo a digital transformation for two reasons: to streamline operations into a more cost-effective unit and improve customer expansion and retention. Businesses should increase their mobile and web presence, building stronger customer connections and encouraging feedback.

Explore growth opportunities. It's time to brainstorm ideas for how to advance the business. With this step, anything goes. Are there new market opportunities or ways of reaching customers? Can any internal processes be reimagined?

Create a step-by-step guide for changing the business environment. Massive undertakings need structure. Develop a highly detailed plan to show how customer interactions and company workflows can be accomplished using appropriate software or other technical solutions. Create a process improvement analysis. This step involves researching the current tech market and software offerings and seeing how they can enhance specific in-house tasks. Does your company's workflow need tinkering, possibly removing unnecessary steps and automating tasks?

Define the business's required technology. Browse through the many forms of current technology and see which ones are the best fit. These include:

Big Data

Cloud services

Mobile technology

The Internet of Things

Machine Learning/Artificial intelligence

Robotics

Additive manufacturing

Web technology

Create a timesheet and roadmap with key performance indicators (KPI). This step requires a clear timeline filled with specifics. Use KPIs to keep track of performance. This roadmap also covers what software the company will need and what departments get it, how the applications are interconnected, how the new data structure will look, etc.

Transformation plan execution. Time to get to work. You have your roadmap and your marching orders. However, be prepared for possible changes and course corrections.Perpetual analysis going forward. Use data-driven insights to see how the transformation is progressing. This analysis is essential to keep the company growing.

If you want a "long story short" option, your framework should contain three elements:

- Define/explain the nature of the challenge
- Create a guiding policy to address the challenge
- Put actions into effect to carry out the policy

How Do You Choose the Right Framework for Your Business or Organization?

The answer to this is simple. The ideal digital framework for your company is the one that strikes a balance between something that is adaptable to your specific organization but is broken down into steps that are cohesive, logical, and whose progress can be easily verified.

Examples of Digital Transformation Frameworks. Here are a few sample frameworks, first, from Multiple. Here's a framework from Gartner. And lastly, here's a very comprehensive offering from Cap Gemini.

The ultimate, one-size-fits-all digital transformation framework doesn't exist; instead, there is one ideal digital transformation for your unique situation. You need to explore your options and find the best fit.

Do You Want to Master Digital Transformation?

Digital transformation is a hot issue in today's business world, and it offers excellent career potential for anyone who wants to join this exciting and challenging process. Simplilearn provides a Post-Graduate Program in Digital Transformation that will give you the skills you need for a new career.

This course, held in collaboration with Purdue University, focuses on the critical aspects of building a digital-ready business. You will learn a host of skills related to digital transformation, from understanding and leveraging the drivers of transformation, building a digital business strategy, leading organizations, and helping them navigate through the perils of digital disruption.

Ziprecruiter reports that a Digital Transformation Specialist in the United States earns an average of USD 111,867 per year. Furthermore, Indeed shows that a Digital Transformation Consultant in India makes an annual average of ₹575,728.

Soon, even the most stubborn holdouts will realize the need for digital transformation. When that day comes, they will turn to experts who have made digital transformation their career and specialty. You could be one of those experts! Visit Simplilearn's courses today, and embark on an exciting and rewarding new career.

CONCLUSION

Accounting information systems have undergone major developments, changes, and updates as a result of the manifestations that are linked to the digital transformation that business organisations have undergone. They are used as outputs by that system rather than functions such as saving, categorising, and summarising. Most researchers and professionals agree that the need for current accounting personnel will be greatly reduced since the information flow in the system will be immediately supplied with information from smart devices, and therefore, accountants who participate in the digital process will face significant changes in their jobs, duties, and responsibilities during the digital transformation process. It is necessary for members in charge of accounting information systems to use the developed systems to adapt to this transformation process effectively so that the transformation can be achieved by combining the different elements to create the system and ensure its effective continuity.

The study focused that digital transformation of accounting across the country has a changed the character, Digital accounting and finance makes possible new forms of overreaching accounting practice, providing a framework that brings coherence and integrates activities. Digital technology also creates the possibility of a wide variety of learning practices, including exposition, independent research and construction. The study concludes, there is a lack of knowledge about digital transformation in accounting and finance among the employees in the various organizations and the status quo is in the average level and the future aspiration expectation at the high level. The study clearly pointed out that the development of technology is required for the development of digital accounting and finance across the country and helped to transform the country into knowledge of digitalization heaven.

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