

Original Paper

Discussion on the Innovation Path of Entrepreneurship Mode of Small and Medium-sized Enterprises in the Context of Digital Economy

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Abstract

Against the backdrop of the digital economy's rapid development, small and medium-sized enterprises (SMEs) face unprecedented challenges and transformation opportunities. Digital technologies such as big data, artificial intelligence, and the Internet of Things have reshaped SMEs' market environment and core competitiveness. This paper defines the connotations of the digital economy and SME entrepreneurial models, analyzes current problems of SME entrepreneurial models, explores driving factors for innovation, and proposes targeted innovation paths. It aims to provide practical guidance for SMEs to adapt to digital transformation and achieve high-quality development.

Keywords

Digital Economy, SMEs, Entrepreneurship Mode, Innovation Path, Digital Transformation

1. Introduction

As the core engine of global economic growth, the digital economy has deeply integrated into all industries. SMEs, a vital part of the national economy, play an irreplaceable role in boosting growth and expanding employment. However, due to insufficient capital, weak technological strength, and limited talent, their traditional offline-oriented, extensive entrepreneurial models are increasingly incompatible with the digital age. Seizing digital transformation opportunities to innovate entrepreneurial models has become an urgent task for SMEs to survive and develop. The digital economy, centered on data resources and supported by modern information networks, consists of digital industrialization and industrial digitalization, with core characteristics of dataization, networking, and intelligence. SME entrepreneurial models refer to systematic methods in entrepreneurship, including

project selection, resource allocation, and profit models. Traditional models rely on offline channels and personal experience, while digitalization enriches them with new elements like digital technology and platform operations, making them more flexible and innovative. The digital economy and SME entrepreneurial innovation promote each other: digital technology provides support, while SME innovation drives digital economy development.

2. Current Problems and Driving Factors of SME Entrepreneurship Mode

Most SMEs are still in the initial stage of digital transformation, and their entrepreneurial models still have many prominent problems that restrict their digital development. Firstly, there is a lack of digital awareness and innovative concepts among operators. Many SME managers have a shallow understanding of the digital economy, fail to recognize the profound impact of digital technology on the survival and development of enterprises, and even hold a wait-and-see or resistant attitude towards digital transformation. They are accustomed to the traditional extensive management model, focus on short-term economic benefits, and are unwilling to invest a lot of capital and energy in digital technology research and development and model innovation. Some even mistakenly believe that digital transformation is just the simple use of digital tools, ignoring the systematic adjustment of organizational structure, business processes and management models, resulting in the failure of digital innovation to achieve the expected results. Secondly, the investment in digital technology and capital is seriously insufficient. Digital transformation requires long-term and continuous capital input, including the purchase of digital equipment, the development of digital platforms, the introduction of advanced digital technology and the training of digital talents. However, SMEs generally have the problems of insufficient capital turnover and difficulty in financing. Due to weak credit, lack of effective collateral and other factors, it is difficult for them to obtain sufficient financial support from banks and other financial institutions, which makes it impossible to carry out in-depth digital transformation. Thirdly, there is a serious shortage of compound digital talents. The innovation of SME entrepreneurial models requires a large number of talents who master both digital technology and business management. However, compared with large enterprises and Internet companies, SMEs have obvious disadvantages in terms of salary treatment, career development space and welfare security, making it difficult to attract and retain excellent digital talents. Many SMEs do not have a professional digital team, and the digital skills of existing employees are backward, which directly restricts the process of entrepreneurial model innovation. Fourthly, the digital ecosystem and policy support system are not perfect. In some regions, especially rural and remote areas, digital infrastructure is backward, the coverage rate of high-speed Internet is low, and the cost of digital access for SMEs is high. At the same time, the government's support policies for SME digital transformation are relatively scattered, the support intensity is insufficient, and there is a lack of targeted policy guidance and service support, which increases the difficulty and risk of SME digital innovation. Fifthly, the ability of resource integration and collaborative innovation is weak. Most SMEs have a strong sense of independence, lack effective

cooperation with digital technology enterprises, universities, research institutes and other institutions, and it is difficult to integrate external digital resources, technological resources and talent resources. Internally, the departments of SMEs are relatively isolated, information communication is not smooth, and the efficiency of internal resource allocation is low, which affects the effect of entrepreneurial model innovation. Meanwhile, the innovation of SME entrepreneurial models is driven by multiple factors. Technological driving is the core factor. The rapid development and popularization of digital technologies such as big data, artificial intelligence, Internet of Things and cloud computing have provided new technical tools and methods for SME entrepreneurial innovation, helping SMEs break through the limitations of resources and capabilities. Market driving is the external motivation. With the popularization of the Internet, consumer demand has become more personalized, diversified and fragmented. Traditional mass production and sales models can no longer meet market demand, and fierce market competition forces SMEs to innovate their entrepreneurial models. Policy driving is an important guarantee. Governments of various countries have issued a series of policies to support SME digital transformation, such as financial subsidies, tax incentives and talent training, which effectively reduce the cost and risk of SME digital innovation. Internal driving is the inherent motivation. With the development of enterprises, the traditional entrepreneurial model can no longer meet the needs of scale expansion and quality improvement. The strong entrepreneurial spirit of operators, such as innovation awareness and risk-taking awareness, also promotes enterprises to actively carry out entrepreneurial model innovation.

3. Innovation Paths and Case Analysis

In view of the existing problems of SME entrepreneurial models and combined with the driving factors of innovation, SMEs should take targeted measures to promote the innovation of entrepreneurial models and realize digital transformation. Firstly, establish a digital innovation concept and improve the digital literacy of all employees. SMEs should strengthen the publicity and popularization of digital economy knowledge, organize operators and employees to participate in digital training, let them fully understand the importance of digital transformation, establish a "digital-first" development concept, and incorporate digital innovation into the overall development strategy of the enterprise. Operators should establish a long-term strategic vision, attach importance to digital innovation, and formulate a scientific and reasonable digital transformation plan. Secondly, expand financing channels and increase digital investment. SMEs can actively apply for government special funds, subsidies and preferential loans to alleviate the pressure of capital shortage. At the same time, they can strengthen cooperation with financial institutions, explore new financing models such as digital credit, equity financing and crowdfunding, and obtain sufficient capital support for digital technology investment and platform construction. According to their own industry characteristics and business needs, enterprises should introduce appropriate digital equipment and technology, promote the digital transformation of key business links such as production, sales, management and after-sales service, and improve operational

efficiency. Thirdly, strengthen the construction of digital talent teams. Enterprises should improve the salary and welfare system, optimize the talent development environment, attract high-quality compound digital talents to join. At the same time, they should strengthen the training of internal employees, carry out targeted digital technology and business management training, cultivate internal digital talents, and improve the digital skills of all employees. In addition, enterprises can strengthen school-enterprise cooperation and industry-university-research cooperation, establish talent training bases, and jointly cultivate digital talents that meet the needs of enterprises. Fourthly, reconstruct the business model and explore new profit growth points. SMEs can carry out platform-based entrepreneurship, build digital platforms to connect supply and demand, integrate industry resources, and realize the transformation from product-oriented to platform-oriented operation. They can use big data technology to analyze customer needs, carry out personalized customization business, improve customer stickiness and market competitiveness. They can also explore the sharing economy model, share idle resources through digital platforms, reduce operational costs and increase income. In addition, enterprises can carry out cross-border integration, integrate digital technology with traditional industries, spawn new business formats and models, and expand development space. Fifthly, strengthen resource integration and promote collaborative innovation. SMEs should break the internal departmental barriers, optimize the organizational structure, smooth information communication channels, and improve the efficiency of internal resource allocation. They should actively establish strategic cooperative relations with digital technology enterprises, universities, research institutes and industry associations, integrate external digital resources, technological resources and talent resources, and realize complementary advantages and common development. Sixthly, rely on policy support and optimize the digital innovation environment. Enterprises should pay close attention to the policy dynamics of digital transformation, actively apply for various policy supports, and reduce the cost and risk of digital innovation. They should also actively participate in the construction of the digital ecosystem, promote the improvement of digital infrastructure, and promote the formation of a good digital innovation atmosphere. Typical cases fully verify the effectiveness of these innovation paths. Qinghe Rouhua Cashmere Products Co., Ltd., a medium-sized enterprise engaged in cashmere product production and sales, was once trapped by the traditional production and sales model, with large order fluctuations, serious inventory backlogs and high labor costs. After carrying out digital transformation, the enterprise introduced intelligent production equipment and 3D virtual simulation design system, realized the automation and intelligence of the production process, shortened the plate-making time from 1 week to 24 hours, and the delivery cycle was shortened to within 48 hours, which accurately met the e-commerce demand of "small orders and quick returns". At the same time, the enterprise actively laid out online channels such as e-commerce platforms and live broadcasts, built a full-chain digital sales system, and the online revenue accounted for 80% of the annual revenue. Through the innovation of the entrepreneurial model, the enterprise's production efficiency increased by 46%, labor costs decreased by 50%, and it quickly became a leading enterprise in the industry. Jiangsu Bide

Technology Co., Ltd., a small enterprise focusing on the R&D and production of rail transit vehicle accessories, took digital transformation as the breakthrough point, built a digital workshop, realized full-process digital management from order receiving, product design, production and manufacturing to after-sales service, and independently developed an intelligent train door control system. The system used Internet of Things technology to realize fault prediction and health management, which reduced the maintenance cost by 30% and improved the system reliability to 99.99%. The enterprise's "specialized, refined, characteristic and new" + digital model has built a solid technical barrier in the segmented field, effectively improving its core competitiveness.

4. Conclusion and Prospect

In the context of the rapid development of the digital economy, digital transformation has become an inevitable choice for SMEs to achieve sustainable development, and the innovation of entrepreneurial models is the key to SMEs' digital transformation. This paper studies the innovation path of SME entrepreneurial models in the context of the digital economy, and draws the following conclusions: the digital economy and the innovation of SME entrepreneurial models are mutually promoting and interdependent. The digital economy provides strong technical support, market environment and development opportunities for the innovation of SME entrepreneurial models, while the innovation of SME entrepreneurial models also enriches the connotation of the digital economy and promotes the in-depth integration of the digital economy and the real economy. At present, the entrepreneurial models of most SMEs still face many problems, such as weak digital awareness, insufficient capital investment, shortage of digital talents, imperfect digital ecosystem and weak resource integration capacity. These problems are not only affected by external factors such as technology, market and policy, but also restricted by internal factors such as enterprise development needs and operator entrepreneurial spirit. The targeted innovation paths proposed in this paper, including establishing digital innovation concepts, increasing digital investment, strengthening talent team construction, reconstructing business models, enhancing resource integration and relying on policy support, can effectively help SMEs solve existing problems, break through development bottlenecks, and improve their core competitiveness in the digital age. Looking forward to the future, with the continuous deepening of digital transformation, the digital economy will show a more intelligent and integrated development trend, and the innovation of SME entrepreneurial models will also face new opportunities and challenges. SMEs need to keep up with the pace of the digital economy, continuously update their entrepreneurial concepts, actively explore new digital technologies and business models, and continuously improve their digital innovation capabilities. The government should further improve the policy support system, strengthen the construction of digital infrastructure, optimize the digital innovation environment, and provide more targeted support for SME digital transformation. All sectors of society should work together to build a sound digital ecosystem, promote the collaborative innovation of SMEs, and form a joint force to promote the high-quality development of SMEs. It is

believed that under the joint efforts of all parties, SMEs will give full play to their own advantages, realize the innovation and upgrading of entrepreneurial models, and make greater contributions to the development of the national economy in the digital era.

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