

Original Paper

A Study on Innovation in Corporate Business Management Models in the Context of Digital Transformation

Xueyan Su¹

¹ Shanghai Xuyu Intelligent Technology Co., Ltd., Shanghai, China

E-mail: 15559100811@163.com

Received: March 19, 2026

Accepted: April 22, 2026

Online Published: May 9, 2026

doi:10.22158/mmse.v8n2p228

URL: <http://dx.doi.org/10.22158/mmse.v8n2p228>

Abstract

For companies around the world today, digital transformation is a trend that has become increasingly apparent and will continue to transform the foundational principles of business management and how we define value at the enterprise level. The development of new and innovative enterprise business management models will serve as the primary means through which companies can adjust to the rapid pace of change brought on by digital transformations and develop sustainable competitive advantages. By focusing on four major areas of decision-making, organizational structure, value creation, and profitability and utilizing scientific methods of verification as a basis for promoting innovative processes, these new models provide practical and actionable ways for organizations to not only demonstrate the essence of management reform in the digital economy but also provide organizations with the tools necessary to achieve the highest quality of development over time in an ever-changing marketplace.

Keywords

Digital transformation, Business management model, Pattern innovation, Platform based collaboration

1. Introduction

The fast creation and spread of digital technology have resulted in significant changes in the global market. Digital transformation has completely moved from being optional to necessary if a company wishes to survive and grow long-term. Today's companies are faced with an increasingly complicated, constantly changing marketplace with an ever-growing variety of rapidly evolving customer needs. Traditional business management are clearly lagging behind these changes, making it difficult for companies to meet the needs of customers in today's digital age. Therefore, the only way companies can continue to grow is to find new management models that integrate seamlessly with their digital

transformation efforts, thereby eliminating constraints to their growth while also meeting the industry's need for transformation and improvement.

2. Structural Contradictions Facing Traditional Business Management Models in the Era of Digital Transformation

2.1 The Conflict Between Data-Driven Decision-Making and Experience-Based Management

The conflict between data-driven decision making and experience driven decision making is becoming more apparent and difficult to avoid as enterprises digitally transform. For many years, management's decision-making has been reliant upon their industry experience, which is really only a summary of what was done in the past, and, therefore only applicable to when markets were stable. This type of decision-making will allow a manager to be successful in reaching his/her goals, but will not be sufficient for dealing with rapid changes in market needs and conditions (data driven decision making). For the most part, experience is considered to be invisible, and so it is difficult to articulate, teach, or replicate. Data driven decision-making requires current data that has been gathered from various departments throughout the company to provide objective information on business performance issues and changes in customer demand. In many companies, however, the way that data is used differs from department to department and the data collected from each department is disorganized and not conducive to integration. Because of this, management sometimes chooses to believe their experience and therefore ignore data, thus creating two contradictory decision-making models that cannot be resolved. This dilemma is more prominent in small and medium-sized enterprises in traditional manufacturing, retail, and other industries, and also makes digital transformation difficult to truly implement (Xiao, 2025).

2.2 The Tension Between the Need for Platform-Based Collaboration and the Boundaries of Bureaucratic Organizations

In the process of digital transformation, the contradiction between platform based collaboration needs and hierarchical organizational boundaries is gradually becoming prominent for enterprises. A hierarchical organization has clear hierarchical divisions and departmental boundaries, with fixed responsibilities and roles for each department. This structure can ensure the orderliness of daily operations, but it contradicts the cross departmental and cross link linkage requirements required for platform based collaboration. Platform based collaboration requires breaking down departmental barriers and achieving efficient integration and rapid allocation of internal and external resources. However, the solidification of bureaucratic boundaries leads to each department fighting independently, resulting in poor information transmission and resource sharing. When collaborating across departments, multiple levels of approval are often required, and unclear delineation of rights and responsibilities can easily lead to buck passing, making it difficult to quickly respond to market changes and collaboration needs. Ultimately, this makes it difficult to promote platform based collaboration and restricts the pace of digital transformation in enterprises, which is more evident in

multi business sectors and cross regional operations.

2.3 The Mismatch Between Dynamic Customer Value and Static Profit Models

The traditional profit model of many enterprises has been in a static and fixed state for a long time, mainly focusing on one-time product sales or basic service fees. The profit logic is fixed and lacks flexibility, making it difficult to adjust according to the dynamic changes in customer value. Customers' needs in the digital environment are no longer singular, shifting from simple product usage to full process experience and value-added services. Value demands will also dynamically upgrade with changes in usage scenarios and consumption capabilities. However, in reality, companies often adhere to established profit paths and do not adjust their charging methods based on the dynamic value of customers. For example, some tool companies rely solely on a single value-added service for profit, ignoring the differentiated value needs of high-frequency users. Even if customers generate new value-added needs, there is no corresponding profit model to match them. The dynamic value of customers cannot be reflected through a reasonable profit model, making it difficult for enterprises to tap into the deep value of customers and achieve sustained profit growth, resulting in an increasingly prominent mismatch between the two. This problem is particularly common in service and tool enterprises.

3. Core Dimensions of Business Management Model Innovation in Digital Transformation

3.1 Decision-Making Model: From Offline Judgment to Real-Time Decision-Making Driven by Data Intelligence

The transformation of decision-making mode essentially means that enterprises break the passive situation of traditional offline decision-making and build a real-time decision-making system driven by data intelligence. This process focuses more on the pragmatic reconstruction of decision-making logic rather than simply technical superposition. The core shortcomings of traditional offline decision-making are data lag and subjective bias. Managers often have to wait for periodic statistical reports to make judgments, which can easily miss the best opportunity for market adjustments. Moreover, judgments rely heavily on personal experience, and cognitive differences among different managers can lead to different decision-making approaches. In digital transformation, most enterprises do not blindly build complex systems. Instead, they start with basic business data and integrate real-time data such as sales, inventory, and customer feedback. Without the need for complex analysis tools, managers can intuitively grasp business dynamics, adjust strategies in a timely manner, and shift decision-making from “remedial measures after the fact” to “pre prediction”, which is in line with the actual transformation capabilities of small and medium-sized enterprises and truly solves the pain points of traditional decision-making lag (Zhu, 2024).

3.2 Organizational Model: From Closed Bureaucracy to Platform-Based Ecological Collaboration Networks

The rigid structure of the traditional closed bureaucratic system has long been unable to meet the rapid

collaborative needs of digital transformation. Innovation in organizational models is aimed at breaking down this rigid barrier and taking a differentiated and flexible optimization path. Unlike other dimensions of logical or cognitive adjustment, organizational model innovation focuses more on “streamlining hierarchy and breaking fragmentation”, with the core being to make the organization more flexible and collaborative, rather than pursuing formal platformization packaging. Many small and medium-sized enterprises do not blindly copy the complex collaboration architecture of large enterprises. Instead, they combine their own business volume, cut redundant intermediate management levels, and allow grassroots teams to directly connect with the core decision-making level. At the same time, they break the inherent boundaries of departments such as research and development, sales, and production, and establish temporary cross departmental collaboration teams. When encountering specific business needs, the team can independently allocate resources and advance work without the need for hierarchical approval. This not only solves the pain points of traditional bureaucratic approval and slow response, but also avoids formal waste in the transformation process. It truly fits the actual operational capabilities of small and medium-sized enterprises, allowing organizations to collaborate and adapt to the pace of digital transformation.

3.3 Value Model: From Product Transactions to Full-Lifecycle Customer Value Operations

The innovation core of the value model is to reconstruct the relationship between enterprises and customers, completely breaking away from the inherent cognition that “product transactions are the end point”. This is fundamentally different from the optimization of organizational structure, which focuses more on “deep mining of customer value” rather than process adjustment. The limitation of the traditional value model is that companies view customers only as product buyers and interrupt deep connections after the transaction is completed, ignoring the value potential of customers throughout the entire process of use, retention, and repurchase. In digital transformation, enterprises do not need to invest in complex technology, but rather accurately capture the differences in customer needs at different stages through simple customer follow-up and feedback collection - new customers focus on usage guidance and after-sales support, old customers focus on personalized service and demand adaptation, and high-frequency customers focus on exclusive rights and long-term interaction. This innovation is not simply about extending services, but about integrating customer value throughout the entire business process, truly realizing the transformation from “one-time transactions” to “long-term value binding”, and meeting the actual expectations of the general public for enterprise services (Mingaleva & Postnikov, 2022).

3.4 Profit Model: From One-Time Sales to a Sustainable Service-Based Revenue System

The innovation core of the profit model is to break the profit dilemma of “selling it all” and build a sustainable service-oriented profit system. Its core orientation is “stable revenue and practical implementation”, which is significantly different from the optimization of organizational structure and customer binding of value model. Under the traditional profit model, enterprise profits rely entirely on one-time sales of products. Fluctuations in market demand and the arrival of off-season can directly

affect income stability, which is also a core pain point for many small and medium-sized enterprises in their transformation. Unlike the complex service system of large enterprises, small and medium-sized enterprises often rely on existing resources to extend simple service benefits on the basis of product sales - for example, hardware enterprises provide lifelong maintenance services for sold tools and charge production costs on a per use basis; Catering companies offer exclusive member delivery, customized packages, and other services, with monthly service fees charged. This innovation does not overturn the original profit foundation, nor does it pursue complex technological investment, but rather a pragmatic transformation that fits its own strength, truly solving the revenue shortfall of one-time sales.

4. Guarantee Mechanisms and Optimization Strategies for Implementing Business Management Model Innovation

4.1 Coordinated Development of Data Governance and Digital Infrastructure

The implementation of innovative business management models relies on the collaborative support of data governance and digital infrastructure. In traditional models, the disconnect between the two—emphasizing construction over application—seriously hinders innovation effectiveness. Enterprises need to establish a closed-loop supporting system encompassing “governance-construction-application-iteration.” Unlike conventional data governance, which focuses solely on data organization in a coarse manner, enterprises can implement a “business data specialist” system, where departmental business leaders concurrently assume this role rather than assigning administrative staff exclusively. The core responsibilities of business data specialists include not only collecting and validating core data such as sales, inventory, and customer feedback within their departments but also identifying data anomalies and needs based on operational scenarios. This deepens the integration of data governance and business operations, enhancing data authenticity and practicality at the source. Meanwhile, enterprises should abandon the traditional “build once, apply universally” approach in digital infrastructure development, adopting a “modular overlay” model to adapt to the transformation needs of enterprises of varying scales. Small and medium-sized enterprises can initially establish a basic data storage module to control upfront costs, then progressively add modules like data sharing and simplified analysis as management model innovation progresses, avoiding resource wastage. Large enterprises, in turn, can build a “cross-business data middle platform” to break down data silos between subsidiaries and departments, enabling on-demand data access and real-time synchronization. Additionally, by introducing low-code tools, they can streamline data retrieval and report generation processes, allowing non-technical staff to quickly access required data and produce simple analytical reports. This truly transforms data from “idle resources” into innovation support, rather than merely constructing formalized infrastructure (Zhang, 2024).

4.2 Tiered Enhancement of Organizational Agility and Digital Talent Capabilities

Compared to conventional measures such as “hierarchical training + process simplification,”

enterprises can establish a bidirectional support mechanism of “agile organization + talent empowerment” to highlight differentiated value. In terms of enhancing organizational agility, enterprises can adopt the “project-based authority decentralization” model, breaking fixed departmental boundaries and hierarchical constraints. Cross-departmental flexible teams can be formed around specific innovation projects, with clear autonomous decision-making authority granted to team leaders. These leaders no longer need to seek approval through multiple layers but can independently allocate human and material resources based on project progress. Concurrently, enterprises should implement an “agile performance evaluation mechanism,” shifting from traditional compliance-focused assessments to prioritizing project implementation efficiency, innovation outcomes, and market adaptability, thereby fully stimulating team innovation vitality. For talent capability enhancement, enterprises must abandon the crude uniform training model for all employees and instead implement a “position-specific empowerment package” system. Customized learning content and practical tasks are tailored to the innovation needs of each role: sales roles focus on customer data interpretation and digital communication skills, administrative roles emphasize practical use of digital office tools and data organization capabilities, while technical roles prioritize the application of simple digital tools and problem-solving skills. Additionally, enterprises should establish an “internal innovation mentorship program,” selecting employees with outstanding digital transformation achievements to serve as mentors who provide one-on-one practical guidance. Coupled with an “innovation practice credit system,” employees can accumulate points by participating in innovation initiatives and improving digital capabilities, which can be exchanged for learning resources or serve as a bonus for promotion considerations. This creates an incentive for talent to proactively enhance their abilities, achieving synchronized upgrades in organizational agility and talent capabilities, providing dual support for innovation implementation.

4.3 Flexible Adaptation and Iterative Optimization of Management Systems and Processes

Rigid and fixed management systems and processes often become “roadblocks” to business model innovation. Therefore, the flexible adaptation and iterative optimization of these systems must be grounded in innovative practices and aligned with actual business needs, rejecting mere formal adjustments. Managers should lead the review of clauses in existing systems that are incompatible with digital transformation and innovative management models, such as overly cumbersome approval processes or rigid role definitions. These should be gradually refined in line with the updated management approach, avoiding blanket rejection and retaining reasonable provisions while improving outdated ones. In terms of process optimization, streamline cross-departmental collaboration workflows, clarify responsibility nodes and timelines for each stage, and allow frontline employees to flexibly adjust operational methods within the framework based on real-world business scenarios, preventing process rigidity from stifling innovation vitality. Additionally, establish a regular feedback mechanism for processes to gather issues and suggestions from employees across departments, periodically review and refine them, and implement a tolerance mechanism for transformation. Encourage employees to

explore innovations in alignment with business operations, retain partial support funds for pilot projects that fail, ensuring systems and processes consistently adapt to the pace of innovation and genuinely safeguard its implementation.

4.4 Cost Control for Innovation Trial-and-Error and Risk Mitigation Mechanisms

In contrast to traditional “budget control + risk investigation” models, a new “trial and error grading + risk sharing” method will be developed. The objective is to create a new creative means of estimating valuation for innovative activities; this new model utilizes an innovative basis by providing equal amounts of creative stimulation along with an acceptable level of risk. In employing trial and error cost management, the new graduated model incorporates two main categories of innovation: exploratory and optimization. The exploratory category contains low budgets for trial and error with strict stop-loss limits and is geared towards verifying whether the innovation can be successfully done; whereas the optimization category of innovative activity will have increased budgets available to develop the details of the innovation and will also utilize a trial and error cost sharing model between the enterprise and the innovation team in order to provide incentive to act rationally when trying to create innovative ideas. With respect to reducing risks associated with innovative activity, we propose divesting the need for complicated risk control instruments and creating a “Regional Industry Risk Mitigation Library” that will develop partnerships between similar type of regional enterprises with the objective of exchanging examples of risk incidents and corresponding risk responses to facilitate the creation of proactive measures to mitigate like risks associated with innovative activities. At the same time, establish an “Innovation Risk Warning Officer”, who is concurrently held by key personnel from various departments, to capture potential risks in the innovation process in real time, provide timely feedback and propose simple response plans, achieve early detection and disposal of risks, make innovation trial and error more targeted, and avoid blind investment (Yen, 2024).

5. Conclusion

Business Management Model innovation for enterprises, through digital transformation, is a systematic transformation that balances conceptual innovation, optimizing processes and implementing them. It is a more than simple way to change modes; it is a complete change of how to create enterprise value and how organizations operate. Enterprises must rely on their actual development situation; assess the key dimensions of innovation; develop and improve supporting mechanisms for giving assurance; balance innovative development with the prevention and control of risk; continuously advance the iterative and optimized improvement of management models; comprehensively unleash all the value from Digital Transformation; and provide practical experience for other enterprises in the industry to reference, thereby fostering the development and deep integration of the digital and real economies.

References

Mingaleva, Z., & Postnikov, V. (2022). New Approaches to Innovation Management in the Context of

- Digital Transformation. *Digital Transformation - Towards New Frontiers and Business Opportunities*, 9.
- Xiao, M. (2025). Research on Enterprise Management Innovation in the Context of Digital Transformation. *Asia Pacific Economic and Management Review*, 2(1), 11.
- Yen, T. T. H. (2024). Enterprise Management Innovation Policy in the Context of Digital Transformation in Vietnam. *Creating Institutions for the Digital Transformation in Vietnam*, 431-446.
- Zhang, H. (2024). A study on the impact of digital transformation of business clusters on the economic performance of innovation in the context of the digital economy. *International Journal of Technology Intelligence and Planning*, 13(4), 309-326.
- Zhu, Q. (2024). Research on Business Model Innovation of Enterprises in the Context of Digital Transformation. *iBusiness*, 16(04), 239-249.