

The Impact of Digitalization on Firms' Business Models. Opportunities and Limitations for Digital Leader

Shabnam Tahiri

SMBS – University of Salzburg Business School

Abstract

Digital innovations are often disruptive and result in a radical organizational change. To overcome this barrier and remain competitive, companies need to transform their business and adapt towards the new customer and market requirements. Especially with the new possibilities arising from Digitalization, Big Data, Internet of Things, and Industry 4.0 firms need to embrace new technological innovations, reflect on their current strategy, and explore new business opportunities systematically at early stages. To understand the impact of digitalization on firms' business models as well as the role of a digital leader in the business model innovation process, a twofold literature review has been conducted using Scopus as the database. The literature reviews have shown that digitalization has a big influence on companies' business models and forcing them to a digital transformation. To be successful in this changing process, dynamic capabilities as well as a digital leader with certain characteristics are playing an important role. Furthermore, a direct and indirect impact of the digital leader on the business model innovation has been identified. This paper contributes to a more precise and comprehensive understanding of business model innovation, digital transformation, and digital leadership, and proposes future avenues for research.

Keywords: Business Model, Dynamic Capabilities, Digitalization, Digital Transformation, Digital Leader