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Key Obstacles to Digital Transformation Implementation in SMEs

Kevin Hella Nyapom[1], David Padi[2]

Abstract: ***As the business world becomes more digitalized, scholars and researchers explore SMEs' lack of digital transformation (DT). While the SMEs form the backbone of most economies, they have significantly fallen back on digital transformation (DT). This limits SMEs' ability to compete with larger firms' digital capabilities. This review examines the barriers to digital transformation (DT) in small and medium-sized enterprises (SMEs), which are critical to economic growth yet lag in adopting digital technologies. Drawing on existing literature, we identify key obstacles, including limited digital skills, inadequate strategic management, regulatory constraints, stakeholder resistance, and cybersecurity risks. The analysis emphasizes the need for a holistic approach that integrates technical, organizational, and cultural strategies to overcome these challenges. Recommendations include fostering digital literacy, aligning DT with organizational goals, and leveraging government subsidies to enhance SME competitiveness in the digital era.***

Keywords: Digital Transformation, SMEs, Digital Skills, Strategic Management, Cybersecurity

1. Introduction

The development of technology over the years has changed the way that people interact in the business world. These developments have led to considerable changes in many organizations, with DT introducing new processes and mechanisms that can affect the key structures of how a company does business (Kraus et al., 2021, p.1). Consumers increasingly seek interactions with businesses that offer quality and convenience in satisfying their needs (Hu et al., 2024, p.2; Stich et al., 2020, p.286). Small and Medium-Sized Enterprises (SMEs) face the most significant challenge as they face confusion on the best way to digitalize their operations without driving up the cost of production (Gamache et al., 2020, p.2). SMEs face significant competition, especially regarding labor shortages, globalization, and even the kind of access they have to goods and services. Larger firms have invested heavily in digitalization to address these challenges (Gamache et al., 2020, p.2; Stich et al., 2020, p.286). SMEs also need to focus on ways to resolve the challenges they face in digitalization to get ahead in the competition. Addressing these challenges is critical, as SMEs form the backbone of global economies, and their digitalization enhances competitiveness, innovation, and resilience in an increasingly digital market.

To overcome SMEs' challenges in achieving digital transformation (DT), they must take a more holistic view of their problems. This means that they have to look at the challenges that go beyond the technical aspects of execution to anticipate not only the costs of execution but also the risks that they might encounter in the management of the digitalization process (Stich et al., 2020, p.286; Tarute et al., 2018). Digitalization is a means of using new technologies to carry out an organization's operations, but it also leads to changes in organizational culture, structure, and processes (Civelek et al., 2023, p.1368). This indicates the importance of having a holistic approach in determining the challenges SMEs might face in digitalizing their operations.

In an attempt to undertake a holistic approach to the problem, this paper begins by looking into SMEs and their structure, digital transformation (DT), and, finally, their importance to SMEs. It then proceeds to define the findings in the literature about the different challenges SMEs face in their digitalization process. Finally, it summarizes the challenges and recommendations for effectively overcoming the challenges of SMEs' digitalization.

Digital transformation (DT)

Digital transformation (DT) is expected to start with converting all the information found in physical form for companies into digitized versions to automate processes and improve the income level companies can get. While digitalization primarily converts data into digital formats, it also enhances processes, the digitalization of data and processes in SMEs can help make it more accessible to managers, making it much easier for companies to make decisions and even manufacture products (Thaha et al., 2021, p.2; Rupeika-Apoga et al., 2022, p. 670). It revolutionizes how a business views the delivery of quality, value, and business patterns. Digitalization is inherently multi-dimensional, impacting various organizational aspects. Becoming a digitally mature organization must incorporate the entire organization and touch people, processes, communications, hardware, and software choices. (Fletcher & Griffiths, 2020, p.2).

The digitalization approach takes three major approaches, which include defining the aims and reasons for starting the digitalization process, factors that affect the success of the digitalization process, and finally, the kind of implication that it has on the business goals and operations (González-Varona et al., 2021, p.16). Businesses should consider three main drivers when adopting digital technology. The first driver is digital orientation, mainly triggered by the company's internal environment (Rupeika-Apoga et al., 2022, p. 671). In this case, companies have a strategy to adopt new digital technology that promises to improve the quality of products and deliver value to consumers. The other motivator for digital transformation (DT) is digital competence. This can be both a hindrance and a driver for digital transformation (DT). A company with the resources and expertise on how technologies work will likely be more open to applying new digital technology as it arises (Rupeika-Apoga et al., 2022, p. 671). On the other hand, companies that lack this are less likely to be willing to participate in the digital transformation (DT). The final driver is often associated with the driver for

most SMEs to participate in digital transformation (DT) and is competition (Ito et al., 2021, p.286). SMEs usually have to strive to take down competition from larger businesses with the resources to help them take up any new digital technology.

Digital transformation (DT) can be categorized into two major elements: the tools used for digital transformation (DT) and the business practices that must be changed. Digital transformation (DT) tools include the Internet of Things (IoT), cloud computing, and big data. On the other hand, business practices involve strategic development, innovation, information management, and knowledge management (Gamache et al., 2020, p.3). According to Gamache et al. (2020, p.4), technological tools can be divided according to their functions, including work organization, monitoring and control, product and process design, services, and management operations. These tools hold different levels of importance depending on the kind of business that needs to be acquired and the anticipated risks of adopting the tools. For example, some tools that can be used for management operations include artificial intelligence, robotics, mobility, big data analytics, and BI (Gamache et al., 2020, p.4). There is also the services category, which involves cybersecurity and predictive maintenance.

Digital transformation (DT) in SMEs

Digital transformation (DT) in SMEs is a critical topic of discussion among scholars and has been explored in a diverse body of literature. With the widespread transformation of innovation and production services to include digital technology and the assumed limited resources of SMEs, different scholars assess how SMEs can join the digital revolution (De Turri & Del Vecchio, 2019, p.2; González-Varona et al., 2021, p.17; Tarute et al., 2018, p.373; Gouveia & Mamede, 2022, p.673). The ability and need to achieve digital transformation (DT) for SMEs depends on the ability of the businesses to achieve their core competencies, use technology to achieve sustainable development, and have a clear intersection between technology and business strategy (Hu et al., 2024, p.2). This is not easy since the interactions between the organizational structure, technologies, and organizational culture affect how digitalization is implemented in the business.

One of the most highlighted aspects in this discussion is that digital transformation (DT) often has to take an integrated approach to be effective. The holistic approach means that different aspects of the business are considered before change is effected. However, for many SMEs, technological use has often been used to solve a single problem (Tarute et al., 2018, p.374; Ito et al., 2021, p. 287). For example, an SME might get a digital accounting system that helps keep track of the cash flow in the business, but might not take the time to consider the organizational implications that such a change might have. The application of technology also depends on the kind of sector that the business is in.

Some sectors adapt to technological changes faster than others. Healthcare, telecommunications, banking, automotive, and manufacturing are more likely to undergo digital transformation (DT) than retail businesses. These industries get better benefits from applying the technologies that come up. Thus, a cost-benefit analysis immediately indicates which options are better. For example, in the manufacturing industry, industrial digital transformation (DT) would lead to better quality products, reduce production costs, ensure employees' safety, and maximize the output of their products. Therefore, it is more likely that the SMEs in these industries will use big data, data analytics, robotics, the Internet of Things, and even cloud computing (Ito et al., 2021, p.287).

2. Challenges of Digital Transformation (DT) for SMEs

Lack of Digital Talents, Skills, and Resources

SMEs struggle to hire and retain employees with digital skills to implement DT effectively. They also do not have the chance to train the employees on the digital skills they need to achieve digital transformation (DT) (Krajčík et al., 2023, p.243). SMEs could have difficulty reaching their desired digital transformation (DT) or using emerging technologies. While most SMEs might have managers and directors who could promote the success of the business in other parts, they might have a more challenging time having employees who identify the technologies that would be best suited for the company (Magd & Jonathan, 2022, p.57; Pelletier & Cloutier, 2019, p.4970). This is quite ironic since managers who are good at strategic management also understand the importance of technology in the management and competition for SMEs.

While managers understand the importance of technology in managing their companies, they might not know the best way to assess the organization's technological needs, which require digital skills to identify. While some might learn how to evaluate a business's technological needs, they lack the resources to implement the desired solutions to their assessments. In some cases, entrepreneurs and managers have difficulty understanding the IT value creation that must be achieved for the digital transformation (DT) to succeed within the company (Krajčík et al., 2023, p.243). Literature suggests managers often prioritize cost-effective solutions of implementing strategies, which might have them pick one option that fits all in an attempt to reduce costs. Therefore, the technological implementation would handle the needs and expectations of the managers at that moment rather than the company's long-term goals (Hu et al., 2023, p.22). SMEs often have limited budgets, unlike larger companies with unlimited budgets and human resources to implement the latest technology in the industry. It can worry managers as they try to find the technology that best fits their needs while staying within their budgets. This means they are more vulnerable to choosing a technology that happens to be a quick solution due to their lack of objectivity in their approach to the issue.

Larger companies understand that they have many resources at their disposal, which means they put much effort into attaining digital advancement at all times. They have a research and innovation department that looks into the technologies and how they would fit into the organization's structure and culture (Thaha et al., 2021, p. 11; Hu et al., 2023, p.22). However, SMEs lack the resources to set up a proper research department, so they have little knowledge of

their digital capabilities to achieve digital transformation (DT).

In cases where the entrepreneurs also happen to be the company's managers and lack the strategic abilities that a professional might have. This means that while there is an increase in the opportunities for training in the markets, they are either not well-versed in their options or are overwhelmed by their opportunities (OECD, 2021, p.5). These entrepreneurs often need to assess the digital training avenues they need to put themselves and their employees on to meet their digitalization needs. For example, an entrepreneur of a small manufacturing company might not understand where to start when looking for training opportunities for big data and data analytics (OECD, 2021, p.5). They also fail to understand which of their employees should undergo such training. Choosing a digital course that best suits their purpose is also challenging.

Poor Strategic Management

Since SMEs often lack the digital expertise and resources to make digital transformation (DT) possible, they need an organizational strategy that would effectively handle the goals and objectives of the company (Hojnik & Hudek, 2023, p.6). An organization strategy that has a digital strategy considers not only the way that new technology relates to the organizational strategy but also specific technologies that would have to be implemented in the organization (Lokuge & Duan, 2021, p.5; Hu et al., 2023, p.23). Most SMEs might have an organizational strategy that defines the organizational structure and culture. Still, considering the changing industry's digital trends, they often do not have a strategy. They lack a roadmap since they do not have a digital transformation (DT) strategy.

The digital transformation (DT) roadmap is supposed to indicate the digital innovations coming up and how they fit into the organization's future. This means that they are adequately accounted for with the costs and benefits of the technology considered. The roadmap also offers the benefit of the business being agile enough to allow for the changes in digital innovations in different industries (Hu et al., 2023, p.23; Hojnik & Hudek, 2023, p.6). This means that they consider the organization's information technology capabilities. Information technology capabilities measure an organization's ability to acquire specific technology. Since SMEs do not have a well-defined digital transformation (DT) roadmap, they do not have a strategic understanding of their strengths and weaknesses in digital transformation (DT).

SMEs are much smaller than other organizations, so decision-making is faster than in larger organizations. This means that change management is much easier in SMEs than in larger organizations, which implement technological changes faster. With a proper understanding of such a digital transformation (DT) strength, SMEs can capitalize on ensuring they achieve better strategic management for possible changes (Thaha et al., 2021, p. 11).

There is little research on IS strategy alignment in SMEs, and what little is available often uses large business models. This is a challenge because SMEs' life cycles differ significantly from larger businesses (Abosede et al., 2016, p. 321). For instance, preset elements of the business ecosystem, such as those related to the environment, technology, and organizations, are frequently included in studies on large enterprises but are incorrectly applied to smaller firms. While businesses of all sizes share a common perception of alignment, they also employ unique integration tactics and place varying values on specific components (such as system architecture and governance) (Canhoto et al., 2021, p.8). More minor findings suggest that although the digitization of SMEs may depend in part on the use of capabilities generally present in large enterprises, smaller firms may also adopt different strategies due to the unique size-defined characteristics. For example, a lack of resources and trained professionals could lead to SMEs taking a different route (Canhoto et al., 2021, p.8). Therefore, the following research indicates that models that larger companies can use to fulfill the digital needs of an organization can be problematic for SMEs.

Industry and Regulation Restrictions

The industry in which an SME operates determines the kind of technology it needs for operation, which determines its capability of getting the technology and even the cost of the technology it needs to acquire. Therefore, different industries might face various challenges in implementing digital transformation (DT) (Krajčík et al., 2023, p.244). Industry 4.0 technologies are expected to enhance cognitive capabilities, which is what automation, electric power, and steam engines did for physical power. People, machines, and devices will all be interconnected in intelligent, transparent systems (Ito et al., 2021, p.286). Smart sensors and devices, big data, data analytics, Internet of Things, cloud computing, additive manufacturing, augmented reality, virtual reality, and cyber-physical systems are some of the most prominent I4.0 technologies. How businesses handle production disruptions will also be impacted by deploying various technologies (Ito et al., 2021, p.286). Production disruptions include unwanted occurrences like equipment malfunction or human error that make the production system operate less efficiently than intended. About half of Sweden's manufacturing enterprises' estimated output capacity indicates the issue's magnitude.

Digital transformation (DT) is more expensive in some industries than others. For example, digital transformation (DT) in retail can be subtle, covering areas such as marketing and recording sales. This means that they can use 4.0 technology quite easily for their functions. However, digital transformation (DT) takes a more dramatic turn in manufacturing and production. 4.0 technologies, such as big data, data analytics, cloud computing, and the Internet of Things, have become more than just the analysis and storage of data (Gamache et al., 2020, p.4). SMEs have to compete with larger manufacturing companies involved in robotics and predictive maintenance of the production process. This can be costly, demanding resources that many SMEs do not have.

Government regulations have a crucial role in the development of the business strategy (DT) of manufacturing companies, tiny and medium-sized ones (SMMEs) (Henderson, 2020, p.4; Zhang et al., 2021, p.97). Government

penalties or rewards can influence SMEs' and other participants' Digital transformation (DT)-related actions. Governments often put in place subsidy programs to encourage digital transformation (DT). Governments commonly employ two subsidy programs: supporting SMEs and third-party demonstration enterprises (TDEs) (Yu et al., 2023, p.2; Mai et al., 2023, p.335). The SME subsidies are intended to cover some SMMEs' expenses during their Digital transformation (DT) procedures. Such incentives can encourage SMMEs to create high-value goods and actively engage in Digital transformation (DT) (Zhao et al., 2023, p.5). TDE subsidies are made available. Governments subsidize TDEs when they offer Digital transformation (DT) support to SMEs, which gives TDEs more incentive to mentor SMEs (Font-Cot et al., 2023, p.2). Government subsidies to TDEs would minimize their guiding expenditure, allowing SMEs to participate in Digital Transformation (DT) more enthusiastically and at a cheaper cost to get DT support. Similarly, there are two types of government penalties: those imposed on SMEs and those imposed on TDEs (Li et al., 2022, p. 4; Zhang et al., 2021, p.97). TDEs who refuse to offer Digital transformation (DT) guidance and SMEs that avoid Digital transformation (DT) might be encouraged to participate in Digital transformation (DT) by enforcing penalties

Resistance from stakeholders

Commonly, companies and organizations implement change continuously. This way, they gain a competitive advantage against their competitors and can handle any market pressures that are likely to arise. However, even when a change is supposed to yield positive results, it brings uncertainty. Therefore, when people believe they will lose something of value, they will likely resist the change even more. Oreg (2003) listed several areas of resistance to changethat people envisaged occurring when embracing the new technology. Some include intolerance to the adjustment period involved in change. Change is hard because to make any transformation successful, it requires changing more than just an organization's structure and operations; it must also change people's behavior, which is never easy (Kotter, 2007).

Managers and directors in SMEs are aware of the need for digital transformation (DT). As less costly technologies, such as the use of social media, catch up, they are becoming more mindful of the importance of using technology. However, approximately 49% of business managers indicated that one of the most significant challenges they have in digital transformation (DT) is the resistance they receive from employees. Many employees understand that it is essential to make technology changes, but they do not have the expertise to make the change (Zhu et al., 2023, p.7). At the same time, the employees are talented in other ways that are necessary for the organization. Therefore, they cannot be removed from the system altogether. This poses a significant challenge for SMEs, mainly because they do not have the resources necessary to train their employees to achieve the desired level of competence.

Apart from the resistance they get due to a lack of training for their employees, some managers also reject technological change due to their bad experiences or perceptions of technology. Some managers have worked in a period where machines such as computers changed the work scene, and many people lost their jobs. Therefore, they believe that by digitally transforming their organizations, they would end up going through a period where they have to let go of their employees. This could disrupt organizational structure and, in some cases, community relations. It is hard for them to allow complete digital transformation (DT).

Digital transformation (DT) also involves significant organizational culture and structure changes, and some managers might feel that they should not alter their optimal performance (Yikilmaz & Kor, 2023, p.664). The managers would have to think about the business operations and processes and how the technology they are using would affect it, and more often than not, feel that it would not be worth it to make such a significant change. These changes could take many resources that some managers and entrepreneurs might feel are unnecessary, especially when what they have going works for them (Yikilmaz & Kor, 2023, p.664). This presents quite a challenge for SMEs.

Data Security

Cybersecurity concerns vary significantly across business sizes. Even though SMEs are prime targets for cyberattacks, they frequently lack strong cybersecurity defenses and resources to safeguard their digital systems and sensitive data appropriately. Digitalization initiatives are seriously at risk from cybersecurity flaws, which could result in financial losses and data breaches (Hojnik & Hudek, 2023, p. 17). Studies by Ray and colleagues highlight how important it is to address privacy and data security concerns in the digital era. SMEs are more vulnerable to online threats because they frequently lack the funds to invest in strong cybersecurity measures, especially micro and small businesses. Larger businesses, on the other hand, usually have specialized cybersecurity departments and more funding available to fortify their defenses and guarantee the security of their data and digital systems.

Cybercrimes and cybersecurity expenses are growing on a global scale. According to published research, the financial toll of cybersecurity breaches is understated since they affect not just the targeted industry but also its overall performance and insurance costs (Saaed et al., 2023). Due to the sharp increase in cyberattacks, corporate organizations must be aware of cybersecurity dangers and the most effective ways to prevent them. These assaults typically seek to disrupt regular business operations, extort financial rewards from users, or evaluate, alter, or destroy sensitive information. Cybersecurity refers to methods for defending networks and PCs against malevolent actions like data loss, theft, and illegal access.

The right to govern how one's personal information is gathered, utilized, shared, and retained by other parties is known as data privacy. Any information that may be used to identify or connect to an individual, such as name, email address, phone number, address, financial information, health records, or internet activity, is considered personal data (Shahim, 2021, p.3). Data privacy legislation aims to shield people's personal information from illegal or unauthorized access, use, or disclosure by outside parties. For entrepreneurs, data privacy is crucial for several reasons.

First of all, if you gather, use, or keep personal data of clients, staff members, or partners, you have legal obligations to uphold. You might have to abide by different data privacy laws, such as the Personal Data Protection Act (PDPA) in Singapore, the California Consumer Privacy Act (CCPA) in the US, or the General Data Protection Regulation (GDPR) in the European Union, depending on where you operate and who you serve. Breaching these regulations may lead to costly penalties, legal action, or harm to one's image.

Data privacy is a competitive advantage that managers and business owners can use to gain the respect and allegiance of partners, staff, and clients. Entrepreneurs may set themselves apart from rivals who might not be as open or compliant by honoring their customers' data rights and requests and proving their dedication to moral and responsible business practices. Data privacy is a strategic asset that can assist business owners in enhancing their offerings regarding goods, services, and operations (Stewart, 2023, p.920). They can obtain critical insights into their clients' requirements, preferences, and behavior by lawfully and fairly gathering and utilizing personal data and then customizing their products. By limiting the quantity of data they gather and retain, entrepreneurs can also improve security, lower expenses, and streamline their operations.

The effectiveness and expansion of their businesses may be hampered by the numerous data privacy issues that entrepreneurs must deal with. As companies must change their policies, methods, and systems to comply with the most recent needs and standards, they must stay current with the complex and ever-changing data privacy laws and regulations in various jurisdictions and sectors. Furthermore, managing the data lifecycle across several platforms, gadgets, and collaborators is critical to guarantee that the personal information gathered, processed, or kept is correct, pertinent, safe, and current. In addition, entrepreneurs need strong organizational and technical protections to prevent unauthorized or unlawful access to the data and protect it from breaches, hacks, or leaks that could jeopardize its confidentiality, integrity, or availability. Finally, any accidents or complaints must be handled quickly and effectively.

3. Conclusion

This review highlights that SMEs face multifaceted barriers to digital transformation (DT), including limited digital skills, poor strategic management, regulatory constraints, stakeholder resistance, and cybersecurity risks. These challenges underscore the need for a holistic approach that integrates technical, organizational, and cultural strategies.

Digital transformation (DT) requires integrating technologies, processes, and individuals within the business framework. To meet the demands of DT, it is necessary to rethink functional departments, process standards, decision-making procedures, and collaborative techniques Senior management must actively participate in and promote digital transformation (DT) to coordinate all internal and external resources properly. Clear and consistent digital strategies are also essential. A key component of SMEs' digital transformation (DT) is senior management. In digital organizational transformation, senior management's drive and ability to carry out resource reconfiguration effectively are critical. Leaders are responsible for monitoring the market, identifying new technical trends, and converting those advancements into lucrative economic ventures. Businesses should cultivate a corporate culture that is cognizant of the digital era to boost the chances of success during digital transformation (DT).

Among the key developments in the development and digitization processes of small and medium-sized organizations (SMEs) are digital transformation (DT) and digital literacy. For these reasons, businesses can enhance their dynamic skills to drive their digitalization by demonstrating a greater interest in the advancements of the digital transformation (DT) process and digital literacy initiatives. However, SMEs' worries and activities may vary based on firm-level characteristics, such as company size and sector, digital transformation (DT) phases, and digital literacy.

Business ecosystem environments are constantly evolving, and in this era of intense competition, cutting-edge digital technologies are gradually changing how businesses operate. However, SMEs have faced significant hurdles due to the increased rivalry brought about by globalization. As a result, the mortality rate of SMEs is relatively high after a shorter period. For this reason, SMEs dealing with global issues must implement survival plans and make wise decisions to prosper in the cutthroat corporate world. Because of this, businesses are being forced to reconsider their organizational structures. As a result, some companies have already demonstrated a greater capacity to take advantage of digital technology to obtain a competitive edge over their competitors across a wide range of industries. SMEs must learn to steer clear of digitalization methods intended for larger, more resource-rich firms. Instead, they should use their flexibility and small size to craft specific digital strategies that suit them.

4. Recommendations for Better Performance and Digital Transformation (DT) in SMEs

Many of the challenges SMEs face regarding digital transformation (DT) are based on digital performance. Digital transformation (DT) indicates that the business is moving from one state to another, so changes must be closely monitored with proper indicators. The most apparent indicator of business success is its return to the stakeholders (Palade & Moller, 2023, p. 106). The other indicators of change would be employee morale and employee performance. Therefore, the digital transformation (DT) recommendations must consider these indicators and how the technology acquired can help handle them.

The first recommendation is about leadership. The leadership must be used to orient employees across the organizational structure to take up the new technologies offered (Gamache et al., 2020, p.6). The leaders should understand the areas that need the most attention and the strategies for handling these areas of attention.

Organizations must adopt effective strategies for the change process. (Kotter, 2008) suggests that an eight-step approach

to change can guide organizations through technology adoption and implementation. This approach includes creating a sense of urgency, forming and building a guiding coalition, communicating the vision for buy-in, empowering others to act on the vision, planning for and creating short-term wins, never letting up, creating more change, and institutionalizing the change into the culture.

SMES must adopt data privacy regulations and the protection of hardware, software, and policies to guide against cybersecurity threats due to increased threats. Additionally, the ISO 27001 framework functions in conjunction with the General Data Protection Regulation (GDPR) Regulation (EU) 2016/679 and Data Protection Act 2018 c. 12 (DPA) in facilitating personal data controls and measures as adopted in the UK and European Unions (EU) digital boundaries are imperative (Ravindran et al., 2022. p.126).

It is also essential for the organization to consider the vision and mission of the company. As discussed, digital transformation (DT) cannot be considered a single-problem solution. Instead, it should be incorporated into the business as a long-term strategy. The company could have a digital strategy that integrates the vision and mission of the organization, which would help with change management as the employees and managers would easily buy into the vision and mission of the organization (Gamache et al., 2020, p.6; Slimane et al., 2022, p.106).

The SMEs should also develop a technological watch to determine the technologies they can acquire and the ones they should leave out. Technological watch involves the collection of data, analyzing the data, and then disseminating it to determine what would be best for the future of the organization. It further consists of looking into the technical developments and the kind of economic impact that they are likely to have on the company (Gamache et al., 2020, p.7). If they are likely to have a positive economic impact, depending on the organizational operations and even the mechanisms and costs of the technology, then the company acquires it.

In addition to getting a technology that is appropriately tailored to the organizational needs, having proper leadership, and having a holistic approach to digital transformation (DT), SMEs should commit to meeting their technological needs. This involves three major elements. The organization must understand and strongly believe in the organizational goals and values (Gamache et al., 2020, p.7). The other element is a willingness across the organizational structure to put effort into the organization's success. Finally, there should be a strong desire for the employees to continue to be a part of the organization. This would go well with the change management required during the transformation (Gamache et al., 2020, p.8). This includes understanding why change is necessary and each employee's role in making the change a success.

By aligning DT with organizational goals, SMEs can enhance competitiveness and resilience in the digital economy, contributing significantly to global economic growth.

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