

# Chapter 14

## Change Management in Digital Transformation: Business Model Concepts

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### ABSTRACT

*Digital transformation is a process in which entities make use of technology to improve their performance, reach, and guarantee better results. It is a structural change in organizations, giving an essential role to the technology. Digital transformation engages processes where organizational actors engage in digital innovation and transform their organizations in order to respond to change in their business and technology environments. So, just like all changes must have models and frameworks that support transition, it is a path in this case, under constant pressure, to achieve goals and have efficient management of the processes that it contains.*

### INTRODUCTION

In the last decade, the emergence of a diverse set of powerful digital technologies, digital platforms and digital infrastructures has transformed, throw well organized projects of change, both innovation and entrepreneurship in significant ways with broad organizational and policy implications (Nambisan *et al*, 2019). Organizations are facing daily with environments that are resistant to change, and specifically about health organizations, human resources have a greater tendency to exercise greater resistance to changing processes (Direção Geral Saúde, 2012), which is why it is necessary create control mechanisms for change management that allow, through the implementation of methodologies, to reduce operations and processes without added value, through methods, techniques and tools.

According to Rance *et al* (2011), the implementation of methodologies requires the application of changes in the scope of the transition, namely in terms of people's mentality, and of the organization's processes, since in most cases the greatest entropy in the application of change is usually triggered by

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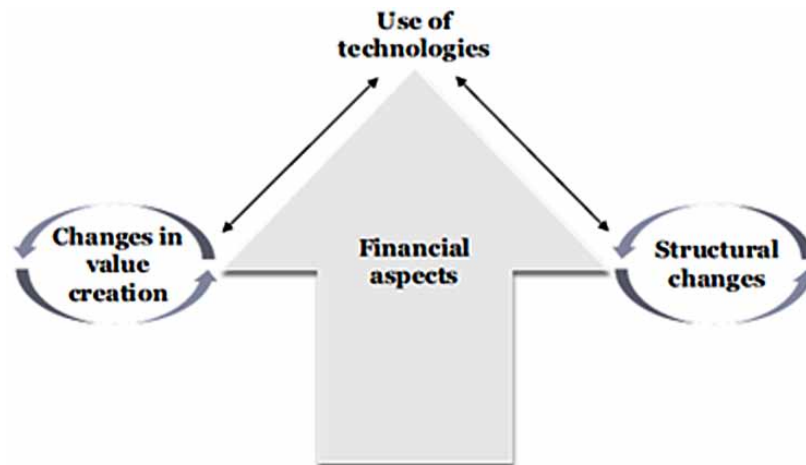
its stakeholders included in the process, instead of the complexity of implementing the methodology itself. Determining the best path to digital transformation is not smooth and easy, because technologies are evolving very faster. Many organizations are constantly under pressure to move to digital transformation without a defined methodology model and strategy as well. So, the difficult is to coordinate the strategy from planning to implementation to create engaging and consistent digital experiences. The major challenge faced by organizations today is how to adopt the ability to promote digital transformation is in large part determined by a clear digital strategy enabled by a culture of change, risk-taking and innovation, with constant disruptions, leveraging technology to simultaneously drive growth and efficiency that constitutes a challenge.

To embrace a digital mindset, demanding different mindsets and skill sets, it has been necessary a conceptual and real dimensions of project change management, methodologies, and frameworks so it can be easier to achieve the defined objectives and prevent disruptions (Geada & Anunciação, 2019). Besides, it is necessary to control, with support of models and frameworks, the four variables which according to Wirtz (2019) influence digital business: *Convergence and Technology*, *Customer Empowerment*, *Digitalization*, and *Innovation dynamics*, and finally the *market complexity*. Therefore, when an organization launches a digital transformation project, must be consider what methodology to use in which models we will use to manage the entire process. Although, it will be a process of change that will involve both technological and human resources, assuming the need for a change management.

## **DOES THE DIGITAL TRANSFORMATION IMPLY THE NEED FOR CHANGE MANAGEMENT?**

Like the word “*transformation*” indicates, when applied it will change something, so we will have to manage change, relating use of technologies, changes in value creation, structural changes, and financial aspects (Figure 1). According to Matt et al (2015), if all these four dimensions are considered as part of

*Figure 1. Digital transformation framework: balancing four transformational dimensions*  
Source from (Matt, Hess, & Benlian, 2015)



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