Digital Transformation in Business Groups and the Efficiency of Internal Capital Markets

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Abstract: As the digital economy evolves, the rigidity of traditional financial management structures, poor communication, and weak risk resistance are becoming increasingly apparent. Consequently, digital transformation emerges as an essential strategy for corporate groups to keep pace with modern developments. This paper leverages transaction cost theory and information asymmetry theory to explore how digital transformation can effectively enhance the operations of internal capital markets. The analysis suggests that digital transformation at the group level facilitates information integration, boosts management efficiency, dismantles information silos to foster group cohesion, and strengthens risk management. These improvements support the effective allocation of internal capital, thereby amplifying the "multi-money effect" and "active money effect" within the group's internal capital markets, leading to more efficient operations. This study not only enriches the existing literature but also offers significant insights for advancing digital transformation in business groups and enhancing the effectiveness of their internal capital markets.

Keywords: Business Groups, Digital Transformation, Internal Capital Markets, Information Integration, Management Efficiency

1. Introduction

Amid the flourishing development of Internet technologies and the digital economy, the flaws in traditional corporate financial management have become increasingly evident. These include low financial management efficiency, insufficient collaboration among financial departments, a lack of automation in core business processes, and vulnerabilities in financial data security. These issues not only elevate operational costs and amplify security risks but also plant potential hazards for future business development. In the era of the digital economy, it is imperative for corporate finance to undergo a digital transformation to streamline organizational structures, enhance operational efficiency, and improve competitiveness. For most enterprises, initiating financial digital transformation is the first crucial step. Following various initiatives such as business centralization, the establishment of financial shared service centers, and the digitization of financial data, most companies are trending towards a centralized and intelligent model of financial digital transformation. As the digital transformation of China's real economy enters a comprehensive implementation phase, an increasing number of traditional businesses are beginning to participate. The digital transformation pathways pioneered by internet and new retail businesses may not be directly applicable to traditional enterprises. Especially for traditional, data-intensive companies, swiftly leveraging digital technologies to enable data-driven decision-making and enhance management efficiency and business performance is crucial in navigating the challenges of the digital economy era. Accurately determining the direction of financial digital transformation, adjusting the focus of digital infrastructure development, and harnessing digital technology to upgrade the management practices of local traditional enterprises represent significant challenges for China's traditional data-intensive businesses.

Business groups are prevalent and constitute a significant organizational structure for enterprises worldwide. In China, most listed companies are part of these business groups, which have significantly contributed to the nation's economic development. As China's economic reforms progress, the capital market has witnessed a surge in high-quality listed companies backed by state-owned business groups, making state ownership a common feature among these entities. Concurrently, private enterprises have expanded their boundaries through acquisitions and reverse mergers, leading to the formation of conglomerates, often family-owned.

These business groups facilitate an internal capital market that can serve as an effective alternative when external markets are inefficient, thereby reducing transaction costs across the conglomerate. This setup aids in the rational allocation of resources within the group, enabling risk sharing, reducing cost stickiness, enhancing total factor productivity, and achieving strategic synergies. As business groups play an increasingly pivotal role in national economic development, the effective functioning of internal capital markets is crucial for their overall growth.

The rise of the digital economy has dramatically transformed the operational modalities of Chinese business groups. Digital transformation exploits the driving role of data elements to integrate the entire industrial, value, and innovation chains, fostering a collaborative ecosystem for industrial development and creating opportunities for value growth. With digital transformation emerging as an essential trend in enterprise development, an increasing number of business groups are embarking on this journey. However, current research has not definitively established how digital transformation impacts the operations of internal capital markets within these groups. Therefore, this paper raises the question: What impact does digital transformation within business groups have on the operation of their internal capital markets?

In examining the impact of digital transformation on the internal capital markets of business groups, this paper utilizes transaction cost theory, agency theory, and information asymmetry theory to analyze the mechanisms by which corporate digital transformation promotes the effective functioning of internal capital markets. Through theoretical analysis, the study argues that digital transformation can enhance the efficient allocation of internal capital within the group, improve decision-making effectiveness, dismantle "information silos," and amplify the network effects within the group, thereby leading to more efficient operations of the internal capital markets in business groups.

2. Research Significance

Firstly, this study enhances research on the economic impacts of corporate financial digitization and the factors influencing internal capital markets within business groups, resolving potential disputes and contradictions found in existing literature. On one hand, according to the Solow Paradox, digital transformation investments are substantial, have lengthy cycles, and carry high risks, and they do not necessarily yield positive economic results for companies. On the other hand, there is still no consensus in academia regarding the efficiency of internal capital markets constructed by business groups. Thus, this paper deepens and extends research into the microeconomic consequences of financial digitization, clarifying existing debates within the current real-world context. By providing a detailed examination of these factors, the study not only fills a gap in the existing literature but also offers practical insights that can guide corporate groups in optimizing their digital transformation strategies. It underscores the importance of a balanced approach that considers both the potential risks and the transformative benefits of financial digitization. This balanced perspective is essential for business leaders and policymakers aiming to harness the full potential of digital technologies in enhancing the performance and competitiveness of internal capital markets.

Secondly, by developing a theoretical framework that analyzes the impact of financial digitization on the internal operations of groups, this study enriches digital economy and corporate governance theories, particularly those with Chinese characteristics. The rapid advancement of digital technologies challenges traditional management theories and models, such as the resource-based view, property rights theory, and innovation theory. The specific effects and mechanisms of these technologies at the microenterprise level have not yet been thoroughly and systematically examined. This research significantly contributes to filling this gap. By constructing a theoretical framework that examines the intricate dynamics of financial digitization within corporate structures, this study not only advances our understanding of digital economy impacts but also refines corporate governance models, especially within the context of China's unique business environment. The framework explicitly integrates concepts from the resource-based view, property rights theory, and innovation theory, adapting these traditional models to better accommodate the realities of digital transformation.

Thirdly, the study assists business groups in adapting to managerial transformations through financial digitization, enhancing their control efficiency. With the arrival of the digital economy era, business groups face new requirements and challenges. How to leverage digital technology for transformation, upgrade management and control levels, and improve internal capital allocation efficiency are crucial issues for business groups. This research is closely aligned with the prevalent characteristics of enterprises operating in groups and the practical features of digital technology applications at the enterprise level. The findings are more reliable and contribute to a deeper understanding of internal capital markets within groups under new organizational transformations, providing a decision-making basis for business groups on how to enhance the efficiency of internal capital markets through financial digital transformation methods. The framework developed through this research specifically targets the ways in which digital tools can streamline decision-making processes, enhance transparency, and facilitate quicker responses to market changes. By harnessing digital technologies, business groups can achieve a more dynamic and flexible management structure, which is crucial for maintaining competitiveness. The study also explores how digital platforms can improve the monitoring and evaluation of projects and investments, thereby enhancing the effectiveness of resource distribution within the group.

3. Literature Review

3.1 Economic Consequences of Digital Transformation

Digital transformation facilitates corporate investment and boosts investment efficiency, while simultaneously curbing excessive investment and mitigating shortages in investment [1-3]. Digitalization can effectively ease financing constraints for companies and lower the costs of financing [4,5]. According to current studies, digitalization improves the financing environment and enhances profitability, thereby bolstering internal financing mechanisms [6]. The shift towards digital transformation enhances both the transactional and precautionary motives behind corporate cash holdings, optimizing the scale of these holdings [7]. It also encourages firms to elevate their operational management standards, significantly reducing the risks associated with financial chain disruptions [8]. Additionally, digitalization increases the liquidity of tickets, leads to revolutionary changes in business models, and expands the boundaries of enterprises [9-11]. Continuing from the discussion on the impact of digital transformation on corporate investment and financing, it is essential to note how these technologies are reshaping the competitive landscape. The integration of digital tools and platforms into business operations not only streamlines processes but also provides critical data insights that drive strategic decision-making. For instance, through advanced analytics and big data, companies can predict market trends, customer behavior, and potential supply chain disruptions with greater accuracy, thereby enhancing their agility and competitive edge.

3.2 Influential Factors in the Internal Capital Markets of Corporate Groups

The nature of property rights shapes the equity structure and control mechanisms, fundamentally influencing the functioning of internal capital markets [12]. This effect varies notably between state-owned enterprises of different administrative levels and private companies. Diversification and sector-specific characteristics also impact the efficiency of internal capital markets within corporate groups [13]. A variety of factors related to group management and corporate governance play a role, including but not limited to the structure of equity and the separation of ownership from control, capital management models, and internal controls [14]. Group operations are considered a strategic response to suboptimal external institutional environments. Understanding these dynamics, it becomes evident that the strategic configuration of internal capital markets is not merely a matter of financial management but also a reflection of broader socio-economic and political contexts. For example, in regions where legal and regulatory frameworks are less developed, corporate groups may rely more heavily on internal capital markets to allocate resources efficiently across various subsidiaries. This internal reliance can mitigate external market imperfections and provide a buffer against environmental uncertainties.

3.3 Literature Summary

Despite the significant positive effects of digital transformation on optimizing business decision-making, enhancing product development, and improving resource allocation, as well as boosting innovation output and the efficiency of corporate governance, and increasing corporate performance and value, research on corporate groups continues to be a pivotal issue in corporate finance. The existing literature lacks a consensus on the effectiveness of internal capital markets. Numerous studies argue that the value of internal capital markets lies in easing financing constraints, lowering transaction costs, and reallocating internal funds. Conversely, a substantial body of research contends that internal capital markets are fundamentally inefficient, primarily due to inescapable issues such as agency problems between corporate groups and their listed subsidiaries, cross-subsidization, and rent-seeking behaviors.

The controversy in current research may stem from the fact that domestic studies have typically focused only on the internal capital markets between listed companies and their subsidiaries, neglecting the prevalent reality that listed companies in China are often controlled by larger groups. Moreover, the operational model of these groups is intertwined with the institutional environment, leading to divergent conclusions across different research samples. For corporate groups, the potential of digitalization to further stimulate internal capital markets and optimize capital allocation merits thorough theoretical and empirical exploration.

This exploration is particularly crucial in environments like China, where corporate groups often operate under different regulatory and market conditions than their Western counterparts. The digital transformation can potentially address several inefficiencies traditionally associated with internal capital markets. For instance, advanced analytics and big data can provide corporate headquarters with better insights into the performance of various subsidiaries, potentially reducing information asymmetries that contribute to agency problems and misallocation of resources.

Furthermore, digital platforms can facilitate more streamlined intra-group transactions, reducing the need for complex bureaucratic processes that often slow down decision-making and increase transaction costs. These technologies also offer the potential to automate many of the controls that are currently manual, reducing the opportunities for rent-seeking and improving the overall allocation of resources within the group.

However, while digital tools offer solutions, they also require substantial investment in technology and skills training, as well as a shift in corporate culture to embrace digital-driven approaches. The integration of digital solutions into the existing corporate structures of large groups can be challenging, as it often requires dismantling long-established processes and systems that many stakeholders are invested in maintaining.

Additionally, the effectiveness of digital transformation in optimizing internal capital markets is likely to vary significantly between different corporate groups depending on their specific characteristics, such as industry, size, and market dynamics. Therefore, empirical research needs to consider these variables to provide nuanced insights that can guide more effective implementations of digital strategies.

Finally, policy implications also play a critical role in the digital transformation of internal capital markets. Regulatory frameworks need to evolve to support and facilitate the adoption of digital technologies while ensuring that these advancements do not exacerbate existing problems or create new ethical and compliance issues. Policymakers must work closely with corporate leaders to develop regulations that encourage innovation while protecting stakeholders and maintaining market integrity.

In conclusion, the potential of digitalization to revolutionize internal capital markets in corporate groups is immense. However, realizing this potential requires a concerted effort from academics, business leaders, and policymakers to thoroughly investigate and understand the complexities involved. Only through a collaborative and comprehensive approach can the promise of digital transformation be fully realized in the context of optimizing capital allocation and enhancing corporate performance within large conglomerates.

4. Analyzing the Pathways through Which Digitalization Enhances the Efficiency of Internal Capital Markets

4.1 Enhancing Management Efficiency of Business Group through Information Integration

Information integration, a cornerstone of the digital transformation journey, serves as a critical hub. It transcends a mere technical procedure to become a wellspring of corporate wisdom and insights. At its core, information integration excels in systematically consolidating, deeply cleansing, and efficiently loading complex data from various internal and external sources. This process creates a unified, comprehensive, and error-free information network, akin to a data treasure trove, which lays a robust and extensive foundation for strategic decision-making and routine management.

This robust network enables the parent company and its subsidiaries or business units to merge operational, financial, and volatile market data into a cohesive data view. This view functions like a clarifying lens, cutting through complexities to reveal the actual operational status, precise market positioning, and potential future growth of each entity. Such clarity empowers the parent company to effectively identify the most competitive, growth-oriented, and profitable segments among its portfolio—essentially "picking the winners" with solid data backing.

Moreover, armed with this rich repository of data, the parent company can deploy advanced analytical tools and methodologies to conduct thorough and detailed examinations of each subsidiary or business unit. By evaluating key performance indicators such as profitability, growth potential, market share, customer satisfaction, and brand impact, the parent company gains precise insights into which units are outperforming and which may harbor untapped potential. This analytical approach not only bolsters the scientific rigor and accuracy of decision-making but also supports the formulation of long-term strategic plans, resource optimization, and the promotion of business synergy and transformative growth.

Building on this robust information integration framework, the corporate group can further leverage its consolidated data environment to foster innovation and drive transformative change across its entities. By having a centralized, comprehensive data repository, the group is better equipped to identify emerging trends, anticipate market shifts, and respond proactively to competitive challenges. This centralized data approach enables the group to streamline its innovation processes, ensuring that new ideas and technologies can be quickly assessed for viability and integrated into the operational framework if proven effective.

Furthermore, this data-driven environment facilitates cross-functional collaboration within the group. It breaks down silos between departments and subsidiaries, encouraging a more integrated approach to problem-solving and project management. This collaborative atmosphere is conducive to generating a multitude of innovative ideas, as it allows for diverse perspectives and expertise to converge, leading to more holistic and innovative solutions.

In essence, the strategic use of integrated data not only enhances operational efficiency and strategic decision-making but also cultivates a culture of continuous innovation and adaptation. This culture is crucial for maintaining a competitive edge in a rapidly evolving market landscape. By harnessing the power of data, the corporate group not only optimizes its current operations but also sets the stage for future growth and success in an increasingly digital and interconnected world.

4.2 Breaking down Information Silos to Foster Group Cohesion

Digital transformation, an inevitable trend in modern enterprise development, has laid down an information superhighway through the meticulous construction of digital platforms and advanced information systems. This has significantly enhanced the convenience and accuracy of information collection and disclosure. This transformative process not only reshapes how companies handle information but also profoundly impacts the flow and sharing of information within the group and among its member companies. Specifically, the deep implementation of digital transformation enables companies to capture and integrate information from every corner at unprecedented speed and precision, achieving seamless connectivity and real-time updates across key areas such as production operations, market sales, financial management, and human resources.

This enhanced capability directly promotes greater transparency between member companies, effectively reducing potential risks and costs due to information asymmetry. More profoundly, digital transformation acts as a powerful engine for breaking down internal information barriers, promoting information sharing, and facilitating collaborative work. By establishing highly integrated information systems and data-sharing platforms, corporate groups have successfully transcended boundaries between companies, departments, and business units, achieving seamless information flow and efficient integration.

This change fundamentally eradicates the previous predicament where member companies operated in isolation, creating frequent information silos. It also greatly enhances communication and collaboration among companies within the group, making information flow smoother and decision-making processes quicker and more accurate. Under these circumstances, the transparency of information between subsidiaries has reached unprecedented levels, and their communication and connections have become tighter and more efficient. This shift not only maximizes the network effects within the group but also makes it easier for subsidiaries to join forces, collectively facing market challenges and achieving mutual benefits.

On this basis, the "multiplier effect" and "liquidity effect" of the internal capital market are further unleashed, making capital allocation more flexible and efficient, and investment decisions more scientific and rational. This significantly enhances the overall efficiency and competitiveness of the internal capital market.

As digital transformation deepens, the corporate group not only enhances its operational and communicative efficiencies but also amplifies its strategic capabilities. The integration of advanced digital technologies and information systems facilitates a more dynamic internal capital market, where resources can be swiftly redirected in response to shifting market demands and strategic priorities. This agility in capital allocation is crucial for maintaining competitiveness in fast-paced industries.

The "multiplier effect" of the internal capital market is particularly pronounced as it allows for the rapid scaling of successful initiatives across different parts of the group. When one subsidiary identifies a profitable venture or a breakthrough innovation, the entire group can quickly mobilize resources to capitalize on this opportunity, multiplying the initial success across a broader platform. Similarly, the "liquidity effect" ensures that surplus capital can be efficiently redistributed within the group, minimizing idle resources and enhancing overall investment returns.

This strategic flexibility is supported by a robust digital infrastructure that provides real-time data and analytics, enabling decision-makers to make informed, data-driven decisions. The ability to analyze vast amounts of data from across the group allows for a more nuanced understanding of market conditions, customer needs, and operational bottlenecks. As a result, investment decisions are not only faster but also significantly more scientific and rational, reducing the likelihood of costly missteps and enhancing the potential for high returns.

Moreover, this enhanced capital flexibility and strategic decision-making capability foster a more resilient organizational structure. It enables the group to quickly adapt to external pressures, seize emerging opportunities, and mitigate risks proactively. In essence, the profound impact of digital transformation extends beyond operational improvements to fundamentally redefine the corporate group's approach to capital management, strategic planning, and market engagement, thereby driving sustained growth and competitive advantage in an increasingly complex business environment.

4.3 Strengthening Risk Management to Safeguard Effective Allocation of Internal Capital

Digital transformation, leveraging the power of cutting-edge technologies such as big data and artificial intelligence, has established a comprehensive and deep data insight system for corporate groups. This system can collect and analyze a wide range of internal and external data resources in real time and efficiently, covering everything from subtle changes in market trends to the latest developments of competitors, and the operational status of every link in the supply chain. This unprecedented capability for comprehensive data analysis provides corporate groups with a "wise eye" to foresee the future. By deeply mining and analyzing these data, corporate groups can more accurately identify potential risk points, whether they are market fluctuations, policy adjustments, or weak links in the supply chain, all of which can be promptly captured and thoroughly analyzed.

The accuracy and timeliness of this risk identification provide a scientific basis for corporate groups to formulate risk response strategies, allowing them to take targeted preventive measures before risks are exposed, thereby effectively avoiding or mitigating potential risks to business operations and the internal capital market. Furthermore, digital transformation also enhances the effective operation of the internal capital market within corporate groups. By building a digital platform for the internal capital market, corporate groups can manage and allocate capital resources more transparently and efficiently, achieving optimal allocation and efficient flow of capital within the group. Additionally, digital transformation enhances the regulatory capabilities of corporate groups over the internal capital market, ensuring the compliance and security of capital operations and laying a solid foundation for the long-term healthy development of the internal capital market.

The integration of big data and artificial intelligence into corporate strategies through digital transformation not only mitigates risks but also propels corporate groups towards predictive and prescriptive analytics. This advanced analytical capability transforms data into actionable intelligence, enabling corporate groups to not only react to current conditions but also to anticipate and shape future scenarios. With this "wise eye," corporate groups can develop forward-looking strategies that align closely with anticipated market dynamics and consumer behavior changes, thereby gaining a competitive edge.

Moreover, the enriched data insights facilitate a more granular understanding of customer needs and preferences, allowing corporate groups to tailor their products and services more effectively. This customization enhances customer satisfaction and loyalty, driving revenue growth and market share expansion. Additionally, the predictive capabilities help optimize supply chain operations by forecasting demand more accurately, adjusting inventory levels, and managing logistics more efficiently, thus reducing costs and improving service delivery.

On the internal capital market front, digital platforms enable not just transparency but also a more dynamic approach to capital management. These platforms can automate many aspects of capital allocation, from assessing investment opportunities to monitoring performance metrics. This automation reduces the administrative burden and speeds up decision-making, allowing corporate groups to capitalize on opportunities more swiftly and with greater confidence.

Furthermore, the enhanced regulatory capabilities brought about by digital transformation ensure that all capital movements within the group adhere to both internal policies and external legal requirements. This compliance is crucial for maintaining corporate integrity and trust among stakeholders, which is fundamental for the sustainable growth of the internal capital market.

In essence, the deep data insight system established by digital transformation acts as a central nervous system for corporate groups, coordinating various functions and optimizing performance across the board. This not only strengthens the internal mechanisms of the group but also enhances its ability to interact with and adapt to the external environment, securing a robust position in the global market.

5. Conclusion and Insights

This theoretical analysis convincingly demonstrates that digital transformation at the corporate group level significantly enhances the functionality of internal capital markets. It achieves this by amplifying the "multiplier effect" and "liquidity effect," which are critical for the dynamic allocation and utilization of resources within the group. Additionally, digital transformation mitigates information asymmetry among group member companies, fostering a more transparent and equitable environment. It also bolsters the efficiency of parental control mechanisms, enhancing the oversight capabilities of the parent company over its subsidiaries. Furthermore, the security of internal transactions is markedly improved, reducing the risks associated with inter-company exchanges and safeguarding against potential financial discrepancies.

The enhancement of these effects through digital transformation is not merely incremental but can be transformative. By integrating advanced digital tools such as AI-driven analytics and blockchain technology, corporate groups can achieve a level of operational synergy that was previously unattainable. AI algorithms can predict market trends and internal demand more accurately, allowing for more strategic resource allocation. Blockchain, on the other hand, provides an immutable ledger that increases transparency in transactions, reducing the potential for fraud and enhancing trust among subsidiaries.

Moreover, digital platforms facilitate better communication and collaboration tools that align subsidiary goals with group-level strategies, promoting a more cohesive operational approach. This alignment is crucial for minimizing conflicts and ensuring that all parts of the group are pulling in the same direction towards shared objectives. The digital transformation thus acts as a catalyst that not only enhances existing capabilities but also introduces new dynamics and opportunities for growth within corporate groups.

In essence, the digital transformation reshapes the internal capital markets of corporate groups by creating a more integrated, efficient, and secure ecosystem. This not only strengthens the group's internal structure but also positions it to respond more effectively to external challenges and opportunities, ultimately leading to sustained competitive advantage and enhanced shareholder value.

The implications of this study are profound, extending the existing body of literature while offering actionable insights for corporate groups seeking to advance their financial digitalization initiatives. These insights are particularly relevant in today's rapidly evolving digital landscape, where technological leadership can translate into substantial competitive and operational advantages.

Firstly, the enhancement of transparency in the internal capital market through financial digitalization is transformative. By establishing a comprehensive digital accounting system and deploying intelligent financial analysis systems, companies gain real-time, accurate insights into the financial health and operational outcomes of various departments. This level of clarity supports more strategic decision-making regarding capital allocation, enabling companies to optimize investments based on robust data rather than assumptions. This capability is vital for assessing potential risks and returns of investment projects, leading to more informed and strategic financial decisions.

Secondly, the role of digital transformation in optimizing capital allocation efficiency is pivotal. By leveraging advanced technologies such as big data and artificial intelligence, corporate groups can swiftly and accurately analyze and process large volumes of financial data. This enhanced data processing capability allows organizations to remain responsive to market trends and customer demands, adapting their internal capital flows and investment strategies accordingly. Moreover, digital transformation facilitates the development of comprehensive risk management frameworks that monitor financial health in real time, providing early warnings and enabling proactive management of financial risks. This significantly reduces the overall vulnerability of the corporate group to financial crises and ensures a more stable financial footing.

Thirdly, financial digitalization is crucial in enhancing the synergy and competitiveness of corporate groups. In an era dominated by data-driven innovation and ecosystem strategies, digital transformation is a key enabler. It allows corporate groups to dismantle traditional information silos between subsidiaries, fostering an environment of collaboration and shared resources. This collaborative environment not only improves the efficiency of internal capital markets but also strengthens the group ’ s overall market position. By enhancing internal cooperation, companies can more effectively leverage collective strengths, leading to innovative solutions and a stronger competitive stance in the marketplace.

In conclusion, this study underscores the strategic importance of digital transformation in redefining the structural and operational paradigms of corporate groups. By adopting and integrating advanced digital technologies, companies can not only streamline their internal operations but also position themselves advantageously for future challenges and opportunities in the global market.

The transformative power of digitalization in corporate finance extends beyond mere operational improvements. It fundamentally reshapes the strategic interactions within and between corporate entities. For instance, the advent of blockchain technology offers unprecedented opportunities for enhancing transparency and accountability in financial transactions. This technology can be used to create decentralized ledgers that provide an immutable record of all transactions, ensuring that data is not only transparent but also secure from tampering.

Furthermore, the integration of IoT devices into corporate financial systems can automate asset management, monitor resource usage, and optimize supply chain logistics. These technologies collect vast amounts of data that, when analyzed with AI, can predict maintenance needs and optimize resource allocation, thereby reducing downtime and improving operational efficiency.

Moreover, the digital transformation journey also involves cultivating a digital culture within the organization. It requires training and developing employees to be adept in new technologies, fostering an environment that encourages innovation and adaptation to digital changes. This cultural shift is as crucial as the technological one, as it ensures that the workforce is ready and able to leverage new tools and methodologies to drive the company forward.

Lastly, the global perspective of digital transformation highlights the necessity for corporate groups to not only adapt to local market conditions but also to anticipate and respond to global trends. The ability to integrate and analyze global market data allows these companies to make better strategic decisions, enter new markets more effectively, and compete on a global scale.

Digital transformation, therefore, is not just an operational necessity but a strategic imperative that can redefine the competitive landscape of corporate groups, making them more resilient, agile, and prepared for the future.

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