



ADAPT TO SURVIVE : THE DIGITAL TRANSFORMATION AND DECISION-MAKING OF TAIWAN'S SMALL AND MEDIUM TRADERS IN A SURVIVAL BATTLE

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Abstract

In the survival battle of small and medium enterprises, maintaining the enterprise's survival by reducing costs by utilizing digital transformation is a strategy that enterprises often use. What is the implementation path of this strategy? This study uses in-depth interviews with individual cases as the primary research method. The results of this study found that:

Companies A and B aim to recreate the "second curve" of growth when the product life cycle matures. Moreover, it will lead employees to participate and promote the consensus of the enterprise on the transformation atmosphere. Furthermore, horizontal communication is conducive to information flow and accuracy and strengthens efficiency and internal organizational management. Furthermore, increase the mastery of external information to reduce transaction costs. It does not influence the role of governments and partners in driving the digital transformation trend. Company A's talent strategy will adopt on-the-job employee training. Company B takes interns as the central axis of training. The last two companies also differ in performance, with the performance of startup A having a relative revenue contribution to the financial performance. The performance of the second-generation successor, Company B, is reflected in the non-financial performance of improved customer satisfaction.

Therefore, this study's conclusion shows that the two companies strategies are different, but for all the company's stakeholders, having a positive financial income is the critical path in the battle for survival.

Keywords

Taiwan small and medium traders, Decision-making, Digital Transformation, Business strategy

1. Introduction

Taiwan's domestic market does not have an economic scale. Therefore, it is necessary to rely on the role of international traders in economic activities. According to Taiwan's Ministry of Economic Affairs, Taiwan's total trade in 2021 will be US\$827.9 billion, the output will be US\$446.3 billion, and the trade input will be US\$381.5 billion. Taiwan's frequent trade interactions with the world have also become the source of Taiwan's economic development. In recent years, the government has promoted "digital transformation" to enhance the competitive advantage of Taiwan's industries. Based on digital network technology, the application scope of software systems has been increased through mobile devices, breaking regional restrictions and accelerating the ability to respond to the market. Matt, Hess & Benlian (2015) pointed out that "digital transformation" is an issue of current business strategy, which will involve the direction of company operations. Taiwan is planning digital transformation as a policy for national development. It includes digital technology-related applications such as the Internet of Things, artificial intelligence, and big data. Taiwan also proposed the "Service-oriented Smart Government 2.0 Promotion Plan," "Taiwan AI Action Plan," "Taiwan 5G Action Plan," and "Taiwan Display Technology and Application Action Plan."

Besides the government plan to enterprise in the face of the rise of e-commerce. Nestle company developed a "Smart Supply Chain Brain" system that integrates online and offline data management, inventory

control, product scheduling, and distribution services, significantly improving overall operational efficiency. Starbucks Developed the "Mobile Order & Pay" APP, improved operational efficiency through extensive data analysis, and provided customized services to enhance customer experience. The strategies proposed by the government to enterprises aim to improve operational problems, identify internal core problems, and carry out digital transformation.

This research chooses the trader industry from the perspective of digital transformation. Define the extent to which the digital transformation of the trader is developing. Find the driving factors to transform the business model and enhance the company's competitiveness. This research can help Taiwanese traders strengthen their advantages and improve their performance in digital transformation. Understand why small and medium traders in Taiwan are facing operational difficulties during the digital transformation. Secondly, how Taiwan traders use their advantages to develop their digital transformation and then analyze the transformation path of Taiwan traders and how to survive in the market will be discussed.

Coupled with the impact of the raging COVID-19 epidemic in recent years, Taiwanese companies have adopted digital technologies and adjusted operations in their operations. This research takes the cases of small and medium traders in Taiwan as the object and collects relevant information through in-depth interviews. First, master the basic information of the case company and the development level of digital transformation, and further explore the motivation of small and medium traders in Taiwan for digital transformation. Secondly, in the digital transformation path, it will be adjustments to the company's internal processes, including internal driving factors such as organizational structure, corporate culture, external driving factors, market resources, and partners outside the company. Therefore, the research will finally analyze how to survive the fierce competition. This study integrates the factors of digital transformation development motivation, transformation purpose, and adopted strategies and explores its relevance to digital performance. It will get that the conclusions of this study can use as a reference for the practical community. Because of the above, the research objectives of this paper are as follows :

1. Understand the strategies adopted by Taiwanese traders on the digital transformation path.
2. Analyze the transformation of Taiwanese traders into internal operating organizations and formulate external market plans.
3. Discuss how Taiwanese traders obtain a survival niche in the market.

2. Literature review

Ellis (2003) argues that information asymmetry creates the role of international trade. Traders are constantly looking for new opportunities to create international trades. Use the existing network and industry to tap potential customers, position the value in the overall business network connection, avoid being de-intermediate and find alternative sources of income. This research will take the perspective of "professional traders" (meaning pure traders engaged in import and export services of domestic and foreign products, become intermediaries between demanders and suppliers, and provide trade-related services) as the research direction. In import and export services, the role uses digital information and equipment to change the traditional business model.

With the vigorous development of digital technology, changing the consumption patterns of buyers, and the operation mode of sellers, the traditional trade service function is not only severely challenged by the environment but also affected by other factors. The "Second Curve" proposed by Handy (2016) shows that during the peak period of operation, an enterprise must find the next growth momentum to continue its profitable operation. Before the enterprise enters the development period, establish a second curve, take contingency measures in advance, and think about the next operation direction. Otherwise, it may not be able to adapt to external factors, competitiveness will decline, growth will be stagnant, and it will be easy to enter a recession stage. Based on the discussion of the above scholars, traders need to start preparing for the next stage of operational development and take new measures during the life cycle development. If the old model is maintained, it may fall into recession, and the company cannot continue to grow. Therefore, in the growth stage, it is necessary to cooperate with the current trend, focus on the company's core problems, carry out digital transformation, and assist the enterprise in connecting to the second S curve to maintain its advantage in the market.

What is digital transformation? Ziyadin, Sueubayeva & Utegenova (2019) point out that digital transformation is the integration of digital technology and operational processes in the digital economy, which integrates individual and enterprise IT environments, such as analytical technology, cloud, and the Internet of Things. For traders, the driving factors of their quotient divided digital transformation into internal and external driving factors. For internal driving factors, 1. Technology introduction : The IBM Institute for Business Value (2021) stated good data protection and system security so that customers can generate trust and security. Therefore, technology introduction is the first step towards transformation. The traditional model introduced integrating related technologies, such as big data and AI, to facilitate the development of future institutional transformation. Enterprises analyze the core of the problem through data integration and use technology to import. Make the original complicated things simple, optimize the daily operation process, and reduce labor costs. 2. Input cost :

Liere-Netheler et al. (2018) The tangible and intangible costs of enterprises before and after transformation and internal adjustment or the introduction of digital technology. Therefore, companies need to provide capital to help improve efficiency and accuracy in production processes and machine equipment operations and reduce risks. 3. Digital talent : Rosalyn (2020) Employees are the company's greatest asset. They can give market information and consumer feedback, enabling leaders to make the right decisions. When an enterprise empowers its employees, mutual learning can positively affect employees and supervisors. When a company works with its employees and participates in the program, the employees also learn from the experience. Furthermore, feedback on the ideas notices by others. The driving force to promote the company's growth and implementation extended to the company's external decision-making. 4. Organizational structure : Liere-Netheler et al. (2018) pointed out that processes and systems can help enterprises improve product quality and output. Furthermore, effectively grasp the processing time and production scheduling arrangements to reduce the risk of control and operation. 5. Corporate culture : Tunstall (1986) defined corporate culture as a mixture of shared values, behavioral patterns, customs, systems, and norms of conduct between organizations under the interaction, and it has some differences from other organizations. 6. Leadership style : Kast & Rosenzweig (1985) believe there are four elements : leadership, coordination, communication, and supervision. Rosalyn (2020) states that a transformational leader is someone who can future-proof an organization and improve efficiency. Therefore, leaders must have a digital transformation mindset and good communication skills. Gather employees' centripetal force and cooperate in executing projects. Leaders also need to be involved in the overall plan. The external driving factors of digital transformation include 1. Customer experience : Customers demand accurate information and production locations for products in production (Liere-Netheler et al., 2018). 2. Market resources : Under market competition, if enterprises try to accept new technologies, they can maintain their competitive advantage in the market (Liere-Netheler et al., 2018). 3. Government resources : In the environment, government support needs to lead the industry to reform and accelerate the development of digital transformation for enterprises (Liere-Netheler et al., 2018). 4. Partners : Liere-Netheler et al. (2018) stated that supply chain partners form a cooperative system to develop new market opportunities in the domestic market jointly and overseas and can subdivide into automated equipment in the expansion opportunities to help product output and quality improvement.

For the performance of digital transformation, Szilagy (1981) defined *performance* as a holistic concept that is the final result of an organization's operational processes. Venkatraman & Ramanujam (1986) put forward three levels of corporate performance : 1. Financial performance : the financial status of corporate operations, such as sales growth, profitability, return on investment, and other items as indicators to measure. 2. Operational performance : including financial indicators and non-financial indicators, such as market share, product quality, the added value of manufacturing, and other operational performance. 3. Organizational performance : In addition to synthesizing those mentioned earlier, financial and operational performance, it is necessary to consider meeting the goals of various stakeholders during business operations.

This study examines the performance of Taiwanese traders toward digital transformation. In terms of financial performance, it is difficult to calculate the cost of investing in digital technology and the depreciation cost of machines. Therefore, this article will measure enterprises' profitability before and after the digital transformation standard. On the non-financial side, measured performance from a customer perspective through customer satisfaction reviews.

3. Methodology

This chapter divided the research structure, method selection, design interview outline, and the research object.

3.1 Research structure

This study explores the digital transformation process of small and medium traders in Taiwan and how to adjust their internal management methods and adjust to changes in the external market. Furthermore, it can improve Taiwanese traders' operational performance and customer value. Therefore, based on the research motivation and purpose mentioned and compiled literature review, relevant information and a research structure are in Figure 3.

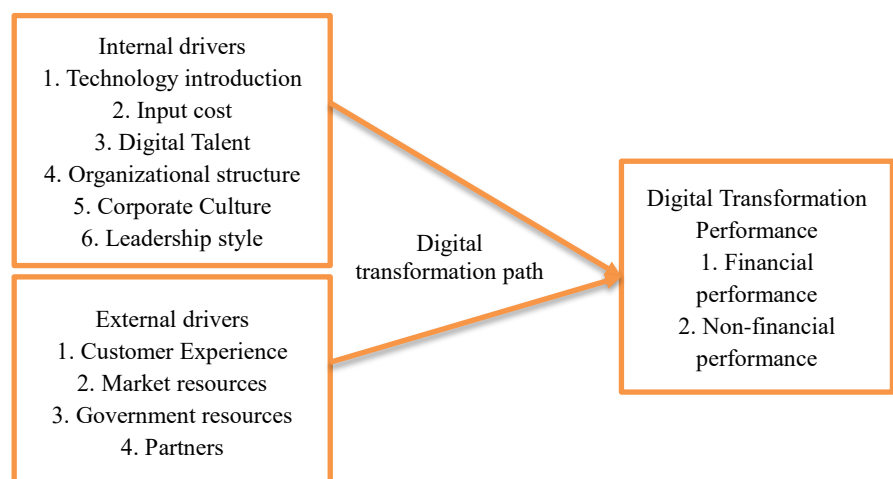


Figure 3.1 Research structure

3.2 Methods

This research is conducted through a case study method, using in-depth interviews and participatory observation methods to analyze the changes in the digital transformation of Taiwanese trading companies. In the process, grasp the current situation and make the most appropriate decision statement. It then explores how companies internalize digital-related information and implement subsequent business operations. The research process established two significant dimensions to explore the adjustment and changes between the internal and external factors of the enterprise.

3.2.1 Depth interview method

Minichiello, Aroni, Timewell & Alexander (1996) defined an in-depth interview as "a conversational exchange between a researcher and an information provider on a specific topic, in which the information provider's feelings about himself, life, and experience inform the researcher. have the truest knowledge of this event." Therefore, dividing the core of this research interview into four parts : 1. Motivation of digital transformation and the current degree of digital transformation. 2. Internal drivers of digital transformation within the enterprise. 3. External drivers of digital transformation outside the enterprise. 4. Status of digital transformation performance evaluation.

3.2.2 Participatory observation method

Atkinson & Hammersley (1998) pointed out that the participant observation method can be divided into participants' roles according to the degree of participation and the role of observation : complete participant, participant such as observer, observer such as participant, and complete observer.

In the participatory observation method, participants, such as observers, can participate in the entire research field or activity process. Because of a particular interaction with the research field personnel, it is easy to observe the scene. Participatory observation is one of the methods that can be applied to explore the situations of daily human life. Furthermore, taking the role of an insider, and from this perspective, discussing the interactive behavior of human beings in daily life produces practical accumulated experience.

Therefore, this study uses participants as an observer to integrate into the life of the research object, from which to observe and then deduce theories or extraordinary business phenomena and behaviors.

3.2.3 Interview outline

Based on the literature review, the design interview outlet four significant themes in the digital transformation process in Table 1, including the enterprise's current situation, external driving factors, internal driving factors, and the design of business performance.

Themes		Interview questions
Enterprise status		How many employees are in the company?
		What are the company's main business items or commodities?
		What is digital transformation?
		The current digital transformation is divided into three stages. 1. Information digitization : The paper version of the work content has been computerized. 2. Digital optimization : Using digital technologies such as ERP systems, API systems, and even setting up a website to optimizing the company's internal operations, improve workflow efficiency and enhance customer experience. 3. Digital transformation : In addition to the above methods, adjust the company's new business model, market, and target as the source of income model.
		What stage is the company currently using?
		Does the company have any plans for this digital transformation?
Internal drivers	1. Technology introduction	Are most of the company's work content currently online?
		What kind of system has the company introduced to improve company operations?
		Continuing the above two questions, does the company encounter any difficulties with internet cloud and technology introduction in the digital transformation stage?
		How does the company overcome the above difficulties?
	2. Input cost	Which part of the company must spend the most on costs in the digital transformation process?
	3. Digital Talent	How does the company select talents and employees?
How can the employees improve their digital knowledge and technology?		

Themes		Interview questions
Internal drivers	4. Organizational structure	What adjustments have you made in your company's work process?
		Will the company have new systems and norms due to the process of digital transformation?
		What are the levels of company titles?
		How many divisions is the company divided into?
		What projects are the departments responsible for?
	5. Corporate Culture	How is the communication between the departments of the company?
		Do employees and supervisors, and even senior executives communicate vertically or horizontally?
		When making a decision, is the final decision made by everyone or the boss?
		How is the communication between the departments of the company?
	6. Leadership style	Have leaders considered adding a central role to the digital transformation program to lead the execution of the digital transformation program?
		What conflicts did senior management and staff encounter before and after the digital transformation?
		How does the company resolve this problem in conflict?
How is the communication between the departments of the company?		
External drivers	1. Customer Experience	What are the primary target audiences after digital transformation?
	2. Market resources	How does the company obtain market information?
	3. Government resources	Have the company used the resources, training courses, and incentives provided by the government for digital transformation?
		Do free government courses provide the resources, or does the company need to pay to learn?
	1. Customer Experience	In the process of digital transformation, do upstream manufacturers, and downstream customers have any influence on communication?
		Are there technical exchanges between the partners?
Business performance	1. Financial performance	Has the company's monthly turnover increased after the digital transformation?
		Have the company's pretax earnings improved after the digital transformation?
		How much does each employee contribute to revenue before and after the digital transformation?
	2. Non-financial performance	Has customer service satisfaction improved after digital transformation?
		After the digital transformation, have the number of customers, repurchase rate, number of purchases, and purchase amount increased?
		Is there any difference in customer relationship maintenance after digital transformation?
	Plan	The company's plans, what is the next step?

Table 1 Interview outline

3.2.4 Case study object

This study uses two Taiwanese companies as a case study. In order to protect the rights and privacy of the respondents, the companies were named company A and company B (the entrepreneur still runs company A, and the other company B is run by second-generation children), and the interview record period was from March 2022 to April 2022. Furthermore, with the respondents' consent, a qualitative analysis was conducted. The company profile is as follows :

1. Company name : Company A (Respondent : Person in charge of the company)

Company A established in December 2002. Its business includes planning, manufacturing, importing, and exporting toys, sundries, and mobile phone accessories. It is mainly engaged in the export of sundries to Japan. It has long-term cooperative relations with well-known Japanese manufacturers and licensees. Furthermore, set up a purchasing office in mainland China to handle raw material procurement, outsourcing production, and quality inspection, focusing on product pre-operation and back-end quality management. Due to the design and commissioned manufacturing of Japanese stationery, bags, and household plastic products for many years, it has become a supplier to major companies and supermarket chains in Taiwan and Japan.

Main service items :

- (1) Import and export trade of toys, groceries, mobile phone accessories, and many other commodities.
- (2) Manufacture and sale of products of well-known foreign authorized brands (limited to sales in Taiwan).

2. Company name : Company B (Respondent : Manager)

The development process of company B had two stages. The first generation of traditional traders started their businesses, and the second generation took over.

The start-up period of the first generation of traditional traders :

The chairman established company B in May 1978, used the Taiwan Economic and Trade Network to find potential customers, and exported Taiwanese products to various countries, including Europe, America, and the Middle East.

Business projects are into four categories :

- (1) Manufacturing, processing, and trading various foods and canned food.
- (2) Liquor import, tobacco and alcohol wholesale, and wholesale beverage industries.
- (3) Import and export business of various related products and raw materials.
- (4) Bidding quotations for the distribution of various related products.

Second generation succession period :

The first-generation chairman has long-term trade cooperation with the Middle East. It has long-term cooperative relations with Israeli customers and introduced relevant Israeli companies to the chairman of B company. Make the second generation heirs recommended by the first generation chairman. Become an agent of well-known skin care products in Israel. Import Israeli products to Taiwan for sale. At the same time, the agency projects have gradually shifted from Israel in the Middle East to the development of various markets, such as the United States and South Korea.

The main business items are into four categories :

- (1) Cosmetics retail and cosmetics wholesale : Israeli skin care products.
- (2) Liquor import industry : Israeli red wine.
- (3) Clothing, clothing, shoes, hats, umbrellas, and apparel retailing : Agency for parenting apparel in the United States.
- (4) Retail cultural and educational, musical instruments, and recreational products and wholesale furniture, bedding, and decoration products : Korean parenting learning materials and infant bedding.

4. Results

Next, this article will analyze the impact of internal and external drivers on the transformation performance of small and medium traders on the path of digital transformation.

4.1 Internal drivers for small and medium traders

The digital transformation development process of the two case companies is often affected by various internal levels to affect company development. The case companies mentioned that "technology introduction" changes the company's internal workflow. Therefore, "digital talents" are needed to apply information equipment and systems. At the same time, it will affect the degree of "input cost," whether there are new norms in the "organizational structure," the communication mode in "corporate culture," and the level of participation of leaders in the "leadership style," maintaining the relationship between employees' relationship. Interviews will be compiled and analyzed as the item for the internal driving factors.

4.2 Summary analysis of technology introduction and other factors

Tmforum (2018) uses data imported into various operational processes, called the digitization of the process chain, meaning digital optimization. From case company A, when the demand for production capacity increases, it is no longer possible to rely on traditional staffing to calculate and manage huge inventories. In order to optimize the company's operational process, using the ERP (Enterprise Resource Planning) system. When entering the purchase, sales, and production documents, it will directly affect the inventory quantity, and the system will automatically reflect it in the inventory report. Allow online and offline employees to grasp the current product status. At the same time reduce the risk of errors in manual calculations. It can also collect data from the production side and customer information. Furthermore, use it as a reference in future company business decisions.

In the case of company B, since the number of imported products can also be controlled in the general office suite software application, it will optimize part of the transfer of product marketing. Cooperate with the e-commerce platform and set up an official online store. Furthermore, it can display customer information, order number, customer behavior in online stores, and product analysis from the backend data center of some websites. Assist decision-makers in launching potential products for marketing activities and then display relevant detailed data such as sales, customer unit price, and the number of views after the activity.

However, both companies do different ways of optimizing digital transformation. One is ERP systems, and another uses an e-commerce platform. The content of the internal driving factors of the interview to discuss the introduction of technology shows in Table 2. In order to save reading space, other interview content will be summarized in Table 3.

Internal drivers-technology introduction	
Respondents	Content analysis
Company A	Due to the rising demand and office suite software not being helpful enough, it is necessary to use the ERP system to do the entire purchase, sales, and inventory. It helps us to sell products in virtual network channels and physical channels. The clerk and the store manager can understand the current distribution status through the ERP system. The system automatically deducts inventory after scanning, saving query time and efficient processing.
Company B	In terms of the system, because the company's output and imported products are not large, and the cost of an ERP system is too high, this system has not been used yet. However, using cloud storage to achieve Internet file synchronization allows users to store and share files, speeding up work quickly. The product design department purchases relevant art design software to assist in the aesthetic editing of the product image. Then, it matches with the e-commerce platform's back-end system, which can expose sales and analyze the back-end data to understand the business situation as a follow-up improvement. In addition, there are also cloud websites set up by themselves, allowing companies to have a higher degree of freedom to plan their websites.

Table 2 Interview internal driving factors to explore technology introduction

Summary analysis of input costs	The two companies can find similarities in the input cost in the labor cost part, which includes basic employee salary, education and training, and external course training. Although the cost is high, it helps employees to quickly familiarize themselves with the work process, strengthen the work quality of employees, and reduce the mistakes rate. The difference is that the projects invested and the costs are also different. Company A has a high system introduction cost, but if it is according to the service life, the system introduction cost is lower than the labor cost. Company B must pay each platform fee monthly, including the annual fee, commission fee, cash flow service fee, and other related platform costs. In the long term, company B has no cost-down curve.
Summary analysis of digital talents	Company A has a clear concept of talent selection, is people-oriented, and is supplemented by technology. Talents must have experience with digital knowledge and technology. Company B selects talents different from before. The internship is to train whether the interns are suitable for the company through the school internship program, and suitable interns will continue to work in the company.
Summary analysis of the organizational structure	Company A needs to make adjustments due to the expansion of the product scale and import the ERP system to optimize the workflow. Improve overall work efficiency. Company B added a new product marketing department due to the change in the business part and the different customer-level goals, considering the change in consumption patterns. It is more able to promote products, but in terms of specifications, in addition to complying with the requirements of the platform and logistics providers, it is also necessary to maintain customer relationships. If there is a situation, it can be dealt with in real-time and assist the company in implementing the optimal arrangement in marketing with a customer orientation. Improve the stability of the organizational structure.
Summary and analysis of corporate culture	Both firms have similarities. In terms of communication, horizontal communication is chosen to speed up the flow of information. It is more precise and clear in conveying information than vertical communication. Streamline business processes and save time and increase productivity. In addition, it is easier to adopt two-way communication in horizontal communication. It can improve the accuracy of the information. When employees receive information, they will also have the opportunity to give feedback so that a sense of equality and participation between supervisors and employees can be generated, and employees' self-confidence and work responsibility can be increased. Company A belongs to the organizational culture of order, and the supervisor and the staff make the corporate culture oriented to the structured environment through two-way communication. Company B tends to belong to an organizational learning culture, so if the employees of the organization have questions or innovative ideas, they can discuss them at the meeting promptly. The company style is a flat organization. Streamlining an organization reduces costs, speeds up decision-making, resolves emergencies and improves customer relationships.
Summary analysis of leadership style	The leader of company A will judge the size of the decision-making event and decide whether to participate in part or the whole process. Staff and supervisors will also deal with the follow-up implementation. Company B leaders are involved in the whole process, from initial planning, decision-making, planning, and execution to follow-up results integrating the internal organization, allocating resources and personnel, and controlling capabilities.

Table 3 Summarized internal driving factors content

4.3 External drivers for small and medium traders

The two companies face rapid market changes on the digital transformation development path. Digital transformation trends affected these companies. On the customer side, due to changes in consumption patterns, the company also adjustment strategy. There is also increasing emphasis on "customer experience." It is necessary to receive new external information to update the market overview. These sources of information are from various market resources. Some digital knowledge is through "government resources" and "partners." Therefore, these factors will carry out data collection and analysis for the external driving factors.

Summary analysis of customer experience	Company A had a transparent B2C business model before the digital transformation process. The focus is to adjust company management and introduce relevant technologies. Therefore, during the digital transformation process, it is no adjustments to any customer experience. However, company B has shifted its business model from its original target company to consumers. In addition, a product marketing department with new businesses using e-commerce enhances customer experience, provides online customer service, social media sites, customer interaction, and maintains customer relationships.
Summary analysis of market resources	Company A obtains market information through introductions from friends and online searches to grasp current events and market demands. Company B uses the internet to search for relevant information on the platform and obtains market information from friends.
Summary analysis of government resources	Neither company A nor company B has ever enjoyed the subsidies or related resource measures provided by the government. Instead, through other Internet-related digital marketing courses. They are nurturing employees' digital knowledge and strengthening practical applications.
Summary analysis of partners	The two companies' trade activities do not affect cooperation with upstream suppliers and downstream customers on digital transformation. Instead, it is necessary to stabilize the company's development through its efforts and fitness with the current trend.

Table 4 Summarized external driving factors content

4.4 Digital Transformation Performance of Small and Medium Traders

The performance results of this study are in Table 5, including financial and non-financial performance.

Financial Performance	For company A, the turnover has improved because the ERP system not only assists in the purchasing, sales, and inventory of the work but also simplifies the work process to reduce costs. In addition, centralized data integration provides data, which is convenient for the company to judge the relevant information of the enterprise to grasp the entire business process quickly. Each employee's contribution to revenue will increase.
Non-financial performance	Company B's primary business model is consumer-oriented, using e-commerce platforms for marketing. The company B feedback from each order and using a scoring mechanism be the standard, indicating the relative customer satisfaction. The number of platform customers and the number of purchases have increased. Coupled with online community promotion and blogger cooperation, mining potential consumers have increased the number of customers. In terms of customer relationship management, messages can be responded to and processed in real-time through the platform. In addition, it also efficiently handles the follow-up incurable diseases of the guests on the official website, the official account of the mobile APP, and social media.

Table 5 Performance

5. Conclusion

5.1 Conclusion and discussion

Small and medium traders in Taiwan face difficulties entering the mature life cycle when customers' needs bring the necessity of digital transformation. Leverage digital transformation strategic decisions to improve the company's internal operations and remain competitive in the marketplace. Based on internal and external driving factors, this study found that different digital transformation models have the same five paths and three different paths, leading to different operational performance. The following describes the findings of this study.

1. Whether it is a startup company A or a second-generation company B, when the company's product life cycle is mature, it begins to digitally transform its thinking and strategic layout and develop the "second curve" for the company to grow again.
2. The interviewed cases all believed that the participation of leaders and employees should promote the consensus of the enterprise on the transformation atmosphere to promote the efficiency of digital transformation.
3. Company A belongs to the organizational culture of order. Furthermore, Company B belongs to an organizational learning culture. However, both interviewed cases show that horizontal communication benefits the flow of information, improving the accuracy of the information, improving the efficiency of transformation strategy execution, and organizational management within the enterprise.
4. The two interviewed cases agreed that the industry dynamics of digital transformation and the mastery of external information help to incorporate reference in decision-making and reduce transaction costs. Two ways to obtain market information are through friend referrals and Internet searches.
5. The government and partners believe that in the two interviewed cases, the government and partners have no role in driving the digital transformation trend.
6. The interviewed cases agree that digital transformation cannot be separated from talent.
7. Entrepreneurial case Company A adopts the method of on-the-job employee training and

empowerment. The second-generation successor, company B, adopts the method of cooperating with schools to introduce interns to cultivate digital transformation talents.

8. The performance of startup company A has a relative revenue contribution to the financial performance. The performance of the second-generation successor company B is in the non-financial performance of improved customer satisfaction.

Therefore, this research concludes that even though the interviewed cases' development background is different, two different digital transformation models are sorted out. Start-up Company A adopts a "pragmatic transformation strategy," company B is willing to access new digital tools, adopts an "intelligent frontier strategy," and uses innovative cloud tools as applications. Despite the different strategies of the two companies, for all the company's stakeholders, having a positive financial income is the only path to be generated in the battle for survival.

5.2 Management implications

In the case study, one company is the second generation to run the business, and the another still is an entrepreneur running the business. A new generation of decision-makers has lived in an online environment from the start, while entrepreneurs have experienced both a non-cyber environment and an online environment. What kind of business can survive? Digital transformation is only to speed up the response speed of the enterprise. It is a tool for business execution, not the enterprise's core business. Information digitization is a tool to solve internal problems of enterprises and achieve future goals. The plan is for long-term development. However, the implementation of digital transformation needs to introduce relevant systems, adjust internal processes gradually, and design corresponding performance indicators to understand the final results of the organization in the operation process.

As such, a digital transformation strategy is a tool in the battle for survival. The input cost should be within the acceptable range of the enterprise. What keeps a business alive is the core business niche. However, when the world is looking at the Internet, it is necessary to gain insight into the development of trends, adjust the use of digital tools, and increase responsiveness to the market. Now is a battle for survival. To survive, companies must identify trends in their core business and use the right digital tools to follow them. Remember, the core business is the protagonist, digital tools are the supporting role, and digital transformation is the process of how a business works. The core business has no source of income, and no amount of powerful digital tools can bring in more business income. In conclusion, achieving financial revenue growth is the crucial factor driving digital transformation.

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