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TRANSFORMATIONAL CHANGES IN BUSINESS MODELS OF MOLDOVAN ENTREPRISES: CONCEPTS AND PRACTICAL APPLICABILITY

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The relevance of the research topic is undeniable: the transformational processes taking place in the world, associated with the rapid development of information technology, artificial intelligence, Big Data, the Internet of Things, genetic engineering, robotics, lead to fundamental changes in business models. All these processes closely connect the physical, digital and biological world. Many researchers (Peter Weill, Stephanie Woerner, Thomas Siebel) are inclined to believe that traditional models cannot work in today's, and even more so, in the future world. At the same time, new technologies are the most significant factor in changing business models. But, despite the prioritization of technologies, their application without rethinking the business device is simply impossible.

All the changes associated with serious processes of transformation of society, Klaus Schwab, the founder and executive director of the World Economic Forum, called the Fourth Industrial Revolution. The main idea of the scientist, along with the growing role of pervasive technologies, is to gain trust: «we should try to understand how and where human values are embedded in new technologies and how technologies can be applied for the benefit of society...» (Schwab, 2017). Thus, a concept that, it would seem, puts breakthrough technologies at the forefront, should be oriented, first of all, to human values. In this context, the term the Fifth Industrial Revolution is often quoted, which is a response to disruptive business technologies and is focused on social needs.

Moldovan businesses are going through hard times – the prolonged period of the pandemic has forced many companies to rethink their business model: introduce online trading, some have developed websites or connected social networks for marketing activities. Naturally, all transformations are associated with the need for additional financial costs, which often cannot be afforded by many companies. At the same time, the lack of understanding of where to move and how to develop in the future leads firms to non-competitiveness, and subsequently to incapacity.

Since the object of this study is the SMEs of the Republic of Moldova, in the future, issues related to the transformational changes in this sector of the economy will be covered. In the survey we conducted in January–February 2022, in which 46 enterprises participated, one of the aspects was to highlight the main factors that are associated with the financial performance of enterprises. The most significant factor noted by 52,5 % of respondents was the prevailing management style, then, in descending order: the economic situation in the country (50 % of respondents), timely (or untimely) adaptation to changes (47,5 %), then increasing competition (32,5 %). This analysis once again proves the importance of management in the process of transformational change.

The study continued by highlighting the critical challenges faced by SMEs in a time of transformation. Thus, the most important are the problems associated with the lack or lack of motivation on the part of the staff (the most important was noted by 52,2 % of respondents), the absence or insufficiency of ties with the main partners – also noted by 52,2 %, the lack of a correct (adequate) approach to leadership (noted by 47,8 %), absence or lack of specialized knowledge of company management – 39 %, lack of opportunity to learn new technologies – 37 %.

When asked whether employees of enterprises believe that digital transformation will affect all enterprises, 73,9 % answered in the affirmative, in our opinion, a large percentage of respondents (26,1 %) believe that this process will not affect all companies. Given the prevailing trends, without applying new technologies, enterprises can simply cease to exist.

So, what should be the transformational business-model for SMEs in today's environment? Peter Weill and Stephanie Woerner believe that the main thing in the new business model is to create a competitive advantage through the use of digital technologies, to differentiate your business by

offering customers something new and attractive. (Weill & Woerner, 2019). Thus, companies are transforming in two directions: 1) moving from value chains to more complex network systems (that is, moving away from the concept of Michael Porter to more complex relationship systems), 2) a deeper understanding of customer needs, which involves close contact with consumer.

If we delve into the specifics of management, organically carrying out changes, then here it is necessary to note, first of all, the style of management. The administrative-command approach is becoming increasingly unacceptable, top-down management does not take into account all elements of the system, employees often see and understand the essence of changes as well as managers. Thus, successful companies will develop on the basis of self-managed teams, in which employees are highly self-motivated to work effectively. In addition, the corresponding ecosystem plays a big role, that is, a set of enterprises, universities, start-ups that will work together and develop an overall competitive advantage and receive a common benefit from this. In such a company, the priority role will be played by the organizational culture, or an innovative culture, focused both on «internal components»: team spirit, trust, the desire for learning, inspiration, and on «external landmarks»: focus on customer needs, readiness to adapt and change, willingness to take risks, understanding the possibility of failure, and others. The control system in new organizations should be based on mutual trust, which will be reinforced by the participation of personnel in decision-making and the corresponding elements of corporate culture (Blommaert & Broek).

Obviously, such a serious process should be accompanied by state support. To date, several state programs have been initiated in the Republic of Moldova. One of them is the Digital Transformation Program for Small and Medium Enterprises, established by the Organization for the Development of Small and Medium Enterprises under the Ministry of Economy of the Republic of Moldova. The program assumes the provision of financial support in the form of a grant (for micro-enterprises – up to 250 thousand lei, for small and medium-sized enterprises – up to 500 thousand lei). The program envisages coverage of at least 150 SMEs. [5] We repeat, noting that transformational changes should affect every enterprise, therefore, such a program will not be enough. At the same time, given the relatively weak innovative activity of this sector of enterprises, it is safe to speak about the need to promote a culture of innovative entrepreneurship, which should have a synergistic effect – on the one hand, benefit the enterprises themselves, their counterparties, as well as contribute to increasing the innovativeness of the economy of the Republic of Moldova.

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