

A Three-dimensional Model of Digital Transformation for Small and Medium-sized Enterprises

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Abstract: Small and medium-sized enterprises (SMEs) are important pillars of the national economy and play an irreplaceable role in increasing employment, improving competitive intensity, and increasing overall economic vitality. Digital transformation is an inevitable path for enterprises to enhance productivity to create economic and social value and achieve high-quality development. At present, digital transformation for multinational groups and large enterprises is a hot research topic, but the research results of scholars on digital transformation for SMEs are few and scattered. Due to the inherent limitations of SMEs, digital transformation is difficult, the transformation ratio is small, so finding a path and method that can effectively guide the digital transformation of SMEs has become an urgent problem. Based on the existing literature, this paper proposes a three-dimensional model for digital transformation of SMEs, which unites the strengths of enterprises, government and the flat ecological platform, overcoming the obstacles of inappropriate enterprise cognition, weak technical foundation of transformation, lack of transformation talents, unclear transformation direction and lack of funds in digital transformation, and greatly reducing the transformation resistance of SMEs. It makes a certain contribution to guiding the digital transformation and enriching the digital transformation methods and paths of SMEs.

Keywords: SMEs; Digital Transformation; Government; Platform.

1. Introduction

The digital era, marked by technologies such as artificial intelligence, cloud computing, 5G, the Internet of Things, and big data, has brought broad and far-reaching impacts to all aspects of society. In the digital era, data has become the most important factor of production after land, labor, capital, and technology, and it "integrates with other factors of production to play a multiplier role" (Li Haijian, Zhao, Li, 2021), which has changed the factor input mode and value creation path of enterprises and brought about the digital transformation of enterprises. wave (Wang Xiaolin, Yang Zhihong, 2022). The underlying logic of enterprise operation and survival environment have changed dramatically. Digitalization has penetrated the barriers of time and space, prompting enterprises to shift from being based on physical space and profitability to meeting consumer needs and creating value for customers; consumers' online consumption habits have gradually formed, and the trend of personalized consumption has gradually manifested; business-to-business relationships have gradually moved from competition to cooperation, and connection and synergy have become the main theme of development; product life cycles are short, and the market Ambiguity and uncertainty are strong. Using digital technology to achieve digital transformation of the processes of value creation, delivery and acquisition is an important way for enterprises to create competitive advantages in the digital era (Jing Hao, Liu Ya, Xu Xianying, 2017), and digital transformation of enterprises is becoming an inevitable trend in the strategic choice of enterprises in the era of digital economy. (Shi Yupeng, Wang Yang, Zhang Wentao, 2021).

SMEs are an important pillar of the national economy and an important component in promoting supply-side reform and achieving high-quality development. By the end of 2021, the number of enterprises nationwide reached 48.42 million, of which more than 99% are SMEs. SMEs account for 80% of

the total number of employees, contribute more than 58.2% to foreign trade growth, and have a correlation coefficient with regional economic growth of more than 0.8. SMEs have great advantages and play an irreplaceable role in increasing employment, improving competition intensity, increasing overall economic dynamism, and building a more efficient production system by complementing large enterprises (Wu Jinglian, 1999). At present, most SMEs are in the exploration stage of digital transformation, facing poor understanding of digital transformation and weak willingness to transform (Zhang Xiaoheng, 2020); weak digital foundation (Liu Tao, Zhang Xiaoheng, 2021), insufficient management technology capability and digital capability (Liu Chen, Cui Peng, 2022), poor financing environment, and financing is difficult and expensive (Chen Wenhui, Wang Jingqian, 2022) and other problems. These factors hinder the process of digital transformation of enterprises. According to the China Institute of Electronic Technology Standardization (2022), 79% of SMEs are still in the initial exploration stage of digital transformation, 12% are in the application practice stage, and the percentage of enterprises reaching the deep application stage is only 9%. How to make SMEs willing to carry out digital transformation and how to promote SMEs to achieve digital transformation smoothly are hot spots for many experts and scholars in academia and industry to study, and are also important issues that must be considered and faced to promote China's high-quality economic development.

Based on numerous research literatures, this paper proposes a path to promote the digital transformation of SMEs, which is to gather the strengths of enterprises, government and industry ecology, and work together to solve the problems of preparation before transformation, difficulties and resistance during transformation, and development after transformation, so as to help SMEs achieve digital transformation smoothly.

The contribution of this paper is twofold: firstly, it proposes

a three-dimensional interactive model for SME digital transformation, and unites the strengths of multiple parties to jointly help SME digital transformation; secondly, it takes into account the development problems of SMEs after transformation from the perspective of ecological co-construction.

2. Literature Review

Enterprise digital transformation is the process of introducing digital technology into the existing enterprise management system to achieve organizational structure change, business process improvement, and promote the reshaping of the way of value creation (Zeng Delin, 2021), and it is also a necessary way for enterprises to be able to survive and keep pace with the times (Chen Chunhua, 2019). Digital transformation is not only an important grasp to deepen the structural reform on the supply side, but also an important way for the high-quality development of the manufacturing industry, or an important support for the development and growth of the digital economy (Lvtie, 2019). Without the transformation and upgrading of enterprises, it is impossible to bring about substantial changes in the mode of economic development (Zha Changwen, Xu Zhaoyuan, 2013). Existing studies show that digital transformation of enterprises has many positive promotion and enhancement effects on enterprises. It can positively promote enterprise performance improvement (HuQing, 2020), which enables manufacturing enterprises to reduce costs by 17.6%, increase revenue by 22.6%, and increase procedural business efficiency of enterprises in business processes, decision approval, and business communication by 50% to 350% (XiaoXu, Qi Jindong, 2019). Digital transformation enhances enterprise agility, and this agility is mainly manifested in the superb perception of external changes, the ability to make informed decisions based on data analysis and the ability to execute quickly (Michael. Wade, Jeff Laux, 2019). Digital transformation enhances the R&D level of companies to develop new products based on accurate knowledge of the behavioral preferences of user groups (Chen Yizeng, Wang Binda, 2015). Digitalization fundamentally changes the nature of products and services, blurring the boundaries of different categories of products and services (YOO, et al, 2012) By improving the quality of products or services and consumer satisfaction, it ultimately enhances the market position and influence of companies (Ghosh K, Khuntia J, Chawla S et al, 2014).

At present, many researchers have done many fruitful researches on digital transformation concepts, theoretical foundations, methodological paths, and transformation impacts, and have achieved fruitful results, but not many results have been achieved in the digital transformation of SMEs. Existing studies on digital transformation of SMEs focus on transformation paths, methods and measures. Collectively, it seems that these studies focus on two levels: in-enterprise and out-of-enterprise. Within the enterprise, the studies pay attention to the dynamic role of enterprises as the main body of transformation, pointing out that SMEs should improve digital transformation thinking, solidify the technical foundation of digital transformation, enhance the digital capability of SMEs (Zhang Xiaheng, 2020), (Liu Tao, Zhang Xiaheng, 2021), and accelerate digital talent training (Liu Ran, 2020). Multiple initiatives to supplement technology and talent shortcomings. Combine the business situation and product characteristics of enterprises to choose the

appropriate digital economy model. (Wang Yu, 2021). Outside the enterprise, numerous researchers have highlighted the leading and driving role of external resources for SMEs' digital transformation from the perspective of resources and environment. Many researchers have proposed to play the leading role of government departments and introduce a series of beneficial policies to support the digital transformation of SMEs. Besides, researchers also point out that promoting new infrastructure to improve SMEs' digital infrastructure (Liu Tao, Zhang Xiaheng, 2021) and accelerating the resolution of financing dilemmas (Liu Ran, 2020) are also very important for SMEs' digital transformation.

The existing literature clarifies the dilemmas and resistance faced by SMEs digital transformation through questionnaires, and other methods, and proposes paths and methods to solve them, which provides good ideas and exploration for SMEs digital transformation, but there are also some shortcomings. First, the importance of SMEs digital transformation enterprise transformation and transformation process of research, the lack of enterprise transformation after the enterprise initiatives and transformation effect of research. For SMEs, digital transformation is important, but the implementation effect after transformation is more important. Second, the initiatives of transformation are loose, the relationship between initiatives is vague, and some initiatives only give a concept and direction, which cannot be effectively implemented and lack practical guidance effect.

3. Methodology

The purpose of this paper is to use literature research method to discover the problems of digital transformation of SMEs, the deficiencies of transformation paths and initiatives, and try to synthesize the ideas provided in literature research to build a new digital transformation method for small and medium-sized enterprises, which can overcome the problems in digital transformation of SMEs and solve the troubles of SMEs that cannot turn, dare not turn, and do not know where to turn. This is the key point and difficulty in the existing digital transformation about SMEs. To this end, this paper proposes a three-dimensional model of digital transformation of SMEs, through enterprise reform, government support and eco-platform sharing, to unite the power of enterprises, government and platforms, and jointly help SMEs to realize digital transformation smoothly.

Digital transformation is not only a technological innovation, but also a conceptual disruption. Data is used throughout the digital transformation, reshaping various factors of production and reconfiguring enterprise business and organizational models. This huge transformation is not a job that can be done independently by one enterprise, especially by small and medium-sized enterprises, but requires the collaboration of the ecosystem, the policy support of the government, and the comparative advantages of each resource to form a joint effort. To this end, we have built a three-dimensional model for digital transformation of small and medium-sized enterprises. The so-called three-dimensional, is the enterprise, the government and the ecological platform. In order to adapt to the development needs of the digital era, enterprises need to change their cognition, master digital thinking, and take the initiative to comply with the requirements and changes of the digital era. The government needs to introduce a series of beneficial policies to help SMEs realize digital transformation and solve

the difficult problem of enterprise transformation; the ecological platform is the object of SME attachment, helping enterprises to open internal and external link channels, share data, logistics, marketing, etc., and solve the development problem of enterprises after transformation.

There is an inherent consistency of development among enterprises, governments and eco-platforms. For enterprises, without digital transformation, they will be out of touch with the times and the market and eventually become extinct. For the government, SMEs play a huge irreplaceable role in activating the social economy, arranging social employment, creating social wealth and maintaining social stability. The government hopes that SMEs can successfully realize digital transformation and solve a series of problems such as employment, people's livelihood, fiscal revenue and benign social development; For the ecological platform, the more digital assets are used, the more they are shared, the more valuable they are, and the marginal cost is basically zero. On the one hand, the more enterprises are stationed in the ecological platform, the more competitive the platform is. On the other hand, the ecological platform also needs innovation feedbacks from excellent enterprises to promote the development of the ecological platform, expand the competitive advantage of the platform, and put the platform in a favorable position in the future multi-platform competition. Therefore, the combination of enterprise-government-ecological platform is a multi-win situation that is beneficial to all parties and has the reasonableness and feasibility of implementation, which can largely avoid the occurrence of digital transformation failure or the operation results after transformation varying greatly from expectations due to the limitations of SMEs' own professional technology, management concept, digital foundation, financial limitation and development direction, etc., and enhance the digital transformation success rate of SMEs. The success rate of digital transformation of SMEs can be improved.

3.1. Enterprise Change, Laying the Foundation for Digital Transformation

In the digital era, the underlying logic of enterprise operation and survival environment have undergone great changes, prompting enterprises to change from providing products to providing a combination of products and services; from profit-oriented to customer-centric; from focusing on internal management to sensing external changes and making dynamic adjustments. As the main body of transformation, SMEs should change their concept, take the initiative to adjust, reform and innovate, so that the enterprises can comply with the trend of change and development in the new era.

First, the change of thinking pattern. Unlike large enterprises with standardized management and clear systems, the management ability and development potential of SMEs often depend on the person in charge of the enterprise or the leadership team, and many people in charge of SMEs are restricted by culture level, mindset, management experience, information channels, etc. They do not know, understand and agree with the digital transformation, resulting in enterprises not making digital transformation or hesitating in front of digital transformation. Hesitation. Research shows that the higher the importance entrepreneurs attach to the digital economy, the more obvious the intensity of promoting digital transformation (WangYu, 2021:47-57). Therefore, the digital transformation of enterprises should first address concepts and mindsets, especially those of business leaders. Enterprise

leaders need to liberate their minds, subvert their perceptions, strengthen their learning, actively adapt to the new changes, trends and requirements of the digital era, and correctly understand the opportunities and challenges that digitalization brings to enterprise development. The person in charge of the enterprise needs to know clearly why digital transformation is necessary, where the advantages and directions of digital transformation of the enterprise are, what kind of results digital transformation wants to achieve and other issues. They also need to unify the mindset and strengthen training within the enterprise, so that employees can understand digital thinking, understand corporate decisions, adapt to corporate changes, overcome inertia and habits, and learn the necessary new knowledge and skills to support the digital transformation of the enterprise.

Second is the change of management concept. In the digital context, the factors affecting organizational performance shift from internal to external, and swiftness in responding to the outside becomes a new issue for management. For this reason, companies need to find a dynamic balance between management stability and the changing external environment, and managers must realize that only organizational dynamism can help organizations continue to gain continuous stability and growth. Promote organizational flattening, accelerate the decision-making process, blur the boundaries between positions, departments, and the enterprise and the external environment, and enhance organizational flexibility and resilience. At the same time, enterprises also need to promote management empowerment, devolve power to front-line marketers, make the organization synergize with external members, promote cooperation between external members of the organization and the organization, and establish a cooperative relationship between the organization and external members, which is a new challenge for managers to face.

Third is the change of enterprise strategy. The person in charge of the enterprise should think carefully about how to integrate the enterprise with the requirements of the digital era, where the development advantages of the enterprise are, how to manifest their advantages, and what other areas can be developed. What is the direction and goal of enterprise development. How can we reasonably use the technological advantages of the digital era to achieve our development goals. For this purpose, what kind of adjustments need to be made to the business development strategy, and how the business management and resources supporting the strategy can be integrated and exchanged with external resources. At the same time, enterprises also need to have a corresponding digital transformation strategy, such as in which aspects of digital transformation, to what extent, how long it takes, from which place to cut into the digital transformation, the overall budget is about how much, etc.

3.2. Government Support to Address Digital Transformation Resistance

SMEs have inherent weaknesses, and the development of SMEs requires more government support (Zhou, Shi, 2022). Studies have shown that government innovation subsidies significantly motivate the digital transformation of enterprises (ChenHe, Huang Yiting, 2022), and the increased willingness of government participation has the greatest impact on the active participation of service providers and SMEs in digital transformation (Yang Lei, Pan Guihua, Hou Guisheng, 202). In fact, the government has been very

concerned about the digital transformation of SMEs, and the government has issued relevant documents, such as the special action plan for digital empowerment of SMEs, the guide for digital transformation of SMEs, and so on. In the actual implementation, the government should implement relevant policies on the one hand and provide good services on the other hand to help SMEs to solve their problems and overcome the pain and difficulties in the transformation process.

First, establish a public service platform for digital transformation of SMEs.

The government needs to build a comprehensive information platform for digital transformation of SMEs to help SME owners change their perceptions. The platform focuses on training and communication, and regularly trains SME owners or members of the leadership team on new technologies and thinking about digitalization, so that they can understand new trends, new situations and new requirements in the digital era, open their eyes, update their cognition, and recognize the prospects and unlimited possibilities of development brought by digitalization to enterprise development. Regularly lead SME leaders to visit successful digital transformation enterprises, learn from their good experiences, pass on information and exchange experiences on their part, collaborate and share resources. At the same time, the platform also needs to bring together successful cases of digital transformation of SMEs at home and abroad for the convenience of business owners to study and refer to.

The public service platform also needs to gather intellectual support and solve the difficulties of lack of talents for digital transformation of SMEs. The platform screens and connects several government-vetted enterprise digital transformation service agencies, consulting agencies, social or university digital research teams with qualifications and strong technical strength to form an intellectual gathering of enterprise transformation consulting and service cloud resource base to provide SMEs with customized transformation solutions. According to their own development reality, SMEs can choose their own cooperation units and promote the digital transformation of their enterprises by combining the transformation solutions provided by intellectual institutions. At the same time, SMEs can also continue to cooperate with relevant companies and institutions after the transformation to overcome the shortage of digital talents and solve the problems in organizing, analyzing, using and making decisions on enterprise data,

The public service platform should also include technical support. The introduction of cloud computing, 5G, big data, Internet of Things and other technology providers, to facilitate SMEs to choose the appropriate technical support according to the digital transformation program, rent IaaS, PaaS and SaaS service cloud platform to provide cloud infrastructure, database platform and online application software services, etc., to reduce the enterprise in the digital transformation of software, hardware and other infrastructure investment.

Second, to provide a series of policies to help SMEs digital transformation.

Provide hardware support, promote the new infrastructure strategy, build communication network infrastructure represented by 5G and new generation all-optical network, etc., improve the digitalization and intelligence level of infrastructure networks such as extra-high voltage and oil and

gas pipeline networks, and build integrated, intelligent, green and safe transportation infrastructure systems such as highways, railroads, ports and airports, so as to lay a solid material foundation for the digital transformation of enterprises. Provide financial support, the government set up special funds for digital transformation of SMEs, and scientifically define support funds and incentives according to the transformation plan, budget and transformation effect of enterprises. Solve the problems of difficult loans and few channels for SMEs, unite banks, insurance companies, trust institutions and other financial institutions to provide digital transformation loans for enterprises, reduce the cost of loans for SMEs and credit costs for financial institutions. Provide special policy support, set up a green channel for the approval process of transforming enterprises and improve service efficiency; implement policies such as tax exemptions and lower utility bills for enterprises in transformation to reduce their transformation pressure.

Third, strengthen the management of digital transformation of SMEs.

Strengthen management and supervision, optimize and innovate digital supervision mode, combine big data with government supervision, coordinate the problems arising in the process of digital transformation of SMEs, and guarantee the orderly promotion of digital transformation of enterprises. Protect data security, clarify the responsibilities of various service providers, suppliers and enterprises, etc. in data security governance, improve data security early warning and traceability, and protect the interests and core competitiveness of enterprises. Summarize the experience, set up a typical example, strengthen publicity, enhance confidence, play the role of successful enterprises in transformation to form a model, explore a shared and mutually beneficial development model, and promote more enterprises to successfully realize digital transformation.

3.3. Platform Sharing to Help Enterprises Transform and Develop

Digitalization is turning the society into a relationship where chains are connected to chains. Enterprises need to select and link various elements and resources they need from them (Ren Ruoan, Chen Han, 2022). Nowadays, platforms and platform ecosystems have become the most important organizational form to drive economic and social development in the mobile Internet era, and world-famous platform representatives such as Alibaba, Tencent and Amazon have emerged. SMEs should actively participate in and make reasonable use of various platforms, strategically cultivate and operate a business ecological network with themselves as the core nodes, and build an outward-looking growth mechanism with equal emphasis on commercial reputation and economic benefits, and synergy between resource sharing and strategic reciprocity (Li Shanshan, Xu Xiangyi, 2019).

Expand the sales channels of enterprises. Compared with traditional enterprise sales channels, consumer Internet platforms such as Taobao, Jingdong and Jindo gather massive customer resources and break the restrictions of time and space, so that consumers can freely browse the platform at any time and any place, and buy the right goods. Small and medium-sized enterprises can effectively use the advantages of the platform, choose the right platform to open an online store, to visualize their products, to break the limitations of traditional sales channels, to carry out e-commerce on a

global scale, to promote, expand, acquire and maintain customers as one, to complete business negotiations, order generation, logistics scheduling, capital payments and other matters on the platform. This is the most convenient, effective and economical way for SMEs to directly participate in digital transformation and share the dividends of the digital era.

Improve the service capability of enterprises. In the digital era, service capability and level is the key to win customers. Small and medium-sized enterprises can interact with consumers in a timely manner through online customer service in online stores and other channels to answer and solve consumers' questions about product information, logistics status, usage, returns and a range of other issues. Companies can also improve the quality of service through cross-regional service purchases. For example, customers buy furniture in other places, enterprises to buy local door-to-door installation services to provide customers with free furniture installation, etc. This will not only improve the ability of enterprise services, but also effectively reduce business operating costs.

Enhance the market perception ability of enterprises. Through e-commerce, enterprises are exposed to a large number of customers and grasp the first-hand market dynamic information. Through the platform, enterprises communicate with the market and customers instantly and grasp the first-hand market dynamic information. Combined with the feedback from the platform to the enterprise about the market, customers and other information, the enterprise can accurately conduct customer portraits, classify and manage customers, create an exclusive customer resource network for the enterprise, and expand accurate marketing. At the same time, based on the collation and analysis of this information, we can timely adjust the production and operation of enterprises, strengthen design innovation, produce products that meet consumer trends and personalized requirements, and promote the sustainable and efficient development of enterprises.

Improve the manufacturing capacity of enterprises. In addition to consumer Internet platforms, industrial Internet platforms are also gradually emerging, and some of the more influential ones are Haier COSMOPlat, Zhongtian Internet Asun, Midea M. IoT and others. These platforms connect user needs with the entire intelligent manufacturing system, allowing users to participate in the whole process of product design and development, manufacturing, logistics and distribution. Small and medium-sized enterprises can gain obvious benefits by joining them. First, SMEs can participate in their product design and development, learn their R&D ideas, methods and processes, and improve their independent R&D capabilities; second, these platforms connect the demand and supply sides of massive manufacturing, and optimize the allocation of resources according to the production status of each enterprise within the platform. SMEs can receive more production tasks when their production is idle to improve the operation efficiency of their equipment and enhance their business efficiency; they can transfer part of their production demand to other enterprises when they are busy to reduce customer waiting time.

4. Results and Discussion

Digital transformation of SMEs is a systemic project that requires the support of external resources, especially the support of the government, and the active integration of enterprises into the ecological environment. In the previous

section we discussed the roles and measures of enterprises, government and ecological environment in the digital transformation of enterprises, and built a three-dimensional model for digital transformation of SMEs. This model first requires enterprises to have the willingness to transform and a certain foundation, and enterprises' own change is the basis of connection, guaranteeing that they have the ideological readiness, organizational readiness and strategic readiness for external connection. The second is government support, enterprises through this government policy to achieve the integration and reorganization of digital technology and business and processes, breaking the data silos between departments and departments, business and business within the enterprise, to achieve the free flow of data within the enterprise, so that enterprises have the ability to connect to data outside the enterprise. Finally, enterprises need to integrate into the ecological platform, establish a mutually beneficial connection model with the platform, and share the fruits of development. By integrating into the digital ecological platform, enterprises rely on the advantages of the platform and the interaction and use of internal and external data resources, which breaks the geographical limitation of enterprise development and gives enterprises a stronger development foundation and a broader development space. The 3D model of digital transformation of SMEs guides enterprises to make full use of external resources, overcomes the difficulties and obstacles encountered by many SMEs in digital transformation, greatly reduces their transformation resistance and difficulty, and can effectively improve their transformation success rate. According to the expressions in Chapter 3, we can draw a three-dimensional model of digital transformation of SMEs, which is shown in Figure 1.

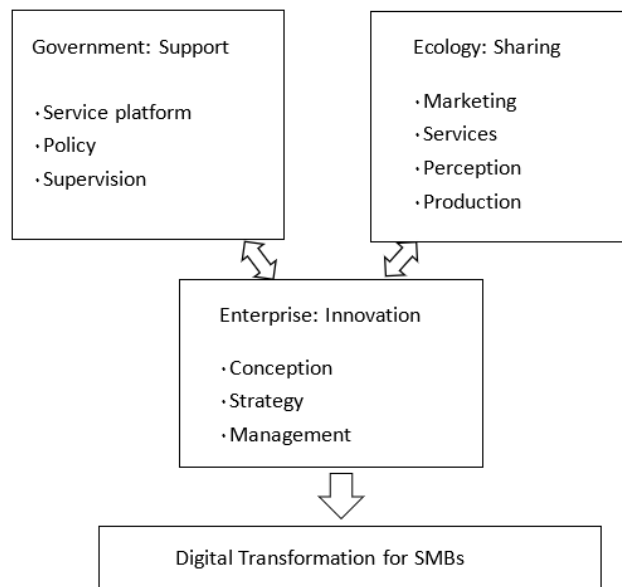


Figure 1. 3D model of digital transformation for SMEs (The figure is the author's own design according to the content of the article)

The digital transformation of enterprises itself requires networked and intelligent transformation and upgrade of traditional business, the core of which is to solve two problems - connection and empowerment. The 3D model of SME digital transformation mainly helps transforming enterprises to solve the connection problem, connect internal data, external data and the interaction between internal and external data, and empower SMEs to participate in social

competition in the digital era. Connectivity and empowerment emphasize the role of data elements in driving and facilitating the development of SMEs in the enterprise. This perspective focuses more on the power of external elements of the enterprise and emphasizes the impact of external relationships on the enterprise, in which the enterprise is in a subordinate position, passively following the rhythm of economic change. The potential threat of this passivity is to make the gulf between the enterprise and the changing market demand bigger and bigger, and eventually fail to keep pace with the development and be eliminated. Therefore, SMEs need to focus not only on the connectivity and empowerment of digital transformation, but also on the enabling role of digitalization, focus on building their own internal core competitive capabilities, and equip their enterprises with the traits and capabilities to actively adapt to the development of the digital era. Compared with large enterprises, flexibility and mobility are the advantages of SMEs, which are also the necessary qualities for enterprises to survive in the digital era full of ambiguity and uncertainty. As the person in charge of the enterprise, two core issues need to be carefully considered in the process of advancing the digital transformation of the enterprise to a deeper level and on the path of digital enabling enterprise development. One is whether the organizational structure of SMEs can have super sensitivity to the outside world, dynamic responsiveness, and immediate resource integration capability; whether they can establish a data-based decision-making mechanism internally, and unimpeded and rapid execution capability. Another one is whether the enterprise can innovate timely and personalized products and services according to market changes and consumer demands, whether it can make full use of external resources such as creative alliances and industrial Internet platforms to enhance innovation capabilities and levels, and whether it can include consumers in the enterprise product and service innovation mechanism. Only after solving these two problems will the digital transformation of SMEs be considered successful in some sense.

5. Conclusion

In the digital era, the digital transformation of SMEs is related to the quality of China's economic operation and the overall competitiveness of enterprises, which is currently the focus of national attention and a hot spot for scholars' research. However, due to their inherent limitations, SMEs have difficulties in digital transformation, the transformation ratio is small and the success rate is low, so finding a path and method that can effectively guide the digital transformation of SMEs has become an urgent problem to be solved. This paper summarizes the difficulties of digital transformation of SMEs, constructs a targeted three-dimensional model of digital transformation of SMEs based on the research results of scholars, and overcomes the obstacles in digital transformation such as poor cognition of enterprises, weak technical foundation of transformation, lack of transformation talents, unclear transformation direction and lack of funds by uniting the power of enterprises, government and ecological platform, and clarifies the respective enterprise, government and ecological measures and roles. The three-dimensional model can greatly reduce the resistance of SMEs to transformation, boost the confidence and willingness of SMEs to transform, and effectively enhance the success rate of SMEs' digital transformation. It also takes into account the post-transformation development of SMEs and proposes

directions to be considered for the deeper development of enterprises, making a certain contribution to guiding the digital transformation of SMEs and enriching their digital transformation methods and paths.

Of course, SMEs should understand digital transformation correctly and not transform for the sake of digital transformation, but clarify their own development strategies and directions, and incorporate digital transformation into their business development strategies, with the ultimate goal of adapting to changing market requirements and enhancing the level and ability of enterprises to continuously create value for customers. Digitalization means more changes and dynamics, therefore, there is no end to the digital transformation of enterprises, and enterprises need to have the ability to match the dynamics of the changing market so as to promote the sustainable development of enterprises.

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