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METHODOLOGICAL APPROACHES TO STRATEGIC MANAGEMENT OF BUSINESS ENTITIES IN THE DIGITAL ECONOMY

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Abstract

This article examines methodological approaches to strategic management of business entities in the digital economy. Recent research shows that digital transformation changes not only technology use, but also value creation, business models, organizational capabilities, performance systems, and the logic of strategic decision-making. Reviews by Vial, Verhoef et al., and Plekhanov et al. show that firms increasingly operate in fast-changing environments shaped by digital disruption, ecosystem competition, and data intensity, which makes traditional static strategy models less sufficient. Building on these studies, this article systematizes the main methodological approaches to strategic management in the digital economy and proposes an integrated conceptual framework that combines digital scanning, digital-maturity assessment, dynamic capabilities, business-model adaptation, agile governance, ecosystem thinking, and continuous strategic renewal. The article argues that an effective strategic-management methodology in the digital economy should move from linear planning toward adaptive, data-driven, and capability-based management.

Keywords: strategic management, digital economy, digital transformation, business entities, methodology, dynamic capabilities, digital maturity, business model innovation, adaptive strategy.



Introduction

The digital economy has transformed the competitive environment of business entities by accelerating technological change, increasing the role of data, expanding platform-based interactions, and altering customer expectations. OECD's 2024 Digital Economy Outlook describes the current period as one of rapid technological change that creates both opportunities and risks for firms and economies, while recent strategy research shows that digital transformation is now a strategic rather than merely operational phenomenon.

Under these conditions, strategic management can no longer rely only on long planning cycles, relatively stable market assumptions, and sequential implementation models. Vial defines digital transformation as a process in which digital technologies create disruptions that trigger strategic responses and reshape organizational value creation, while Verhoef et al. show that digital transformation changes customer expectations, business models, and the assets and capabilities that firms need in order to compete. [1], [2].

Therefore, the problem is not simply how to digitalize business processes, but how to improve the methodology of strategic management itself. The purpose of this article is to identify the main methodological approaches to strategic management of business entities in the digital economy and to develop a conceptual framework suitable for firms operating under digital transformation.

Literature Review

The first major methodological foundation comes from the literature on digital transformation as strategic change. Vial's review presents digital transformation as a disruptive and organization-wide process that alters value creation and requires strategic response. Verhoef et al. extend this perspective by distinguishing digitization, digitalization, and digital transformation, and by linking transformation to business-model innovation and firm growth strategies. Plekhanov et al., through a systematic

review of 537 peer-reviewed articles, conclude that digital transformation challenges the raison d'être of firms and forces managers to rethink business strategy and operations. [1], [2], [3].

A second major foundation is the dynamic-capabilities approach. Teece argues that business models, dynamic capabilities, and strategy are interdependent, and that a firm's dynamic capabilities shape its proficiency in business-model design and strategic adaptation. Warner and Wäger show that digital transformation can be conceptualized as an ongoing process of building dynamic capabilities for strategic renewal. Ellström et al. also find that dynamic capabilities provide a coherent lens for understanding organizational adaptation to digital transformation. [4], [5], [6].

A third important stream concerns implementation, organizational design, and strategic control. Elia et al. propose the Digital Transformation Canvas as a conceptual framework for leading digital transformation and identify roles, competencies, behaviors, and enablers needed for effective implementation. Cosa's 2024 systematic review shows that digital transformation makes performance-measurement systems more dynamic and adaptive, requiring strategic, organizational, and information-systems flexibility. These studies suggest that strategic methodology in the digital economy must include not only formulation tools, but also implementation architecture and flexible control systems. [6], [7].

Recent studies also emphasize the role of digital leadership, digital culture, and digital maturity. Held et al. show that dynamic capabilities foster digital leadership and digital culture in SMEs, while Calderon-Monge and Ribeiro's systematic review confirms that digitalization has become central to business and management research. This indicates that a viable methodology of strategic management in the digital economy must also account for organizational readiness, culture, and leadership. [10], [11].

Methodology

This article uses a conceptual and integrative methodology. Rather than testing one statistical model, it synthesizes major scholarly and institutional insights in order to identify the principal methodological approaches to strategic management in the digital economy and to combine them into a coherent framework.

The analysis proceeds in three stages. First, it identifies the key themes repeatedly emphasized in recent literature: disruption, dynamic capabilities, business-model adaptation, ecosystem interaction, performance flexibility, and digital leadership. Second, it groups these themes into distinct methodological approaches. Third, it integrates those approaches into one conceptual model for business entities. This kind of framework-building is consistent with recent review-based contributions in digital transformation and strategic-management research.

Analysis and Discussion

1. The classical planning approach and its limitations

The classical strategic-planning approach remains relevant because firms still need long-term direction, resource prioritization, and strategic positioning. However, in the digital economy this approach becomes insufficient when used alone. Rapid technological shifts, shorter product and service cycles, and ecosystem-based competition reduce the usefulness of rigid, linear, and infrequently updated strategic plans. OECD's 2024 materials and the broader scholarly literature both show that the external environment has become more volatile and digitally mediated.

2. The dynamic-capabilities approach

The dynamic-capabilities approach is one of the most important methodological responses to digital transformation. In this view, strategy is not only a plan, but also a capability system that enables the firm to sense changes, seize opportunities, and reconfigure resources. Teece's work and the later studies by Warner and Wäger and Ellström et al. strongly support this view. For business entities operating in the digital

economy, this approach is especially useful because it places adaptability and strategic renewal at the center of management methodology. [4], [5], [6].

3. The business-model innovation approach

A third methodological approach emphasizes that strategic management in the digital economy must focus on business-model redesign. Digital transformation often changes how firms create, deliver, and capture value. Verhoef et al. explicitly link digital transformation with business-model innovation, while Teece explains that business-model design lies at the core of strategic value creation and competitive advantage. Therefore, a modern methodology of strategic management should include tools for redesigning value propositions, channels, revenue logic, and ecosystem roles. [2], [4].

4. The data-driven and digital-maturity approach

The digital economy also requires a data-driven methodological approach. Firms increasingly need digital-maturity diagnostics, data-based strategic monitoring, and real-time or near-real-time performance feedback. OECD work on digital transformation and business digitalization, as well as newer studies on digital maturity and innovation, shows that firms benefit when they assess their digital readiness and use digital information as a strategic resource. This means strategic methodology should start with a diagnosis of digital maturity and continue with data-supported decision-making.

5. The agile governance and flexible performance approach

Digital transformation also requires a methodology that is more agile in implementation and control. Elia et al. show that digital transformation demands a conceptual implementation map including roles, competencies, and enablers, while Cosa demonstrates that performance-measurement systems become more dynamic and adaptable in transformed firms. Hence, strategic methodology in the digital economy

should combine strategic intent with experimentation, short feedback loops, iterative implementation, and flexible performance systems. [6], [7].

6. The ecosystem and network approach

A further methodological approach is ecosystem-based strategy. Business entities increasingly create value not in isolation, but through platforms, digital partners, suppliers, customers, and other network participants. OECD's digital economy materials and Teece's discussion of dynamic capabilities in business-model design both suggest that digital-era competition often extends beyond firm boundaries. This means strategic management should include ecosystem positioning, external complementarities, and collaborative value creation. [4], [8], [9].

Integrated Conceptual Framework

Based on the reviewed literature, the most effective methodology of strategic management in the digital economy should not rely on one approach alone. Instead, it should integrate the strongest elements of the approaches discussed above. The proposed framework includes six sequential but interconnected stages:

Digital strategic scanning – continuous monitoring of technological, market, ecosystem, and regulatory change.

Digital-maturity assessment – evaluation of digital infrastructure, data quality, leadership readiness, skills, and organizational culture.

Strategic intent and business-model redesign – reformulation of value creation, customer offering, and competitive logic.

Dynamic capability development – building the ability to sense, seize, and reconfigure resources.

Agile governance and implementation – experimentation, short cycles, flexible execution, and cross-functional coordination.

Adaptive performance control and renewal – data-driven monitoring, feedback, and continuous strategic updating.

Table 1.

Integrated Framework for Strategic Management in the Digital Economy

Stage	Main content	Strategic purpose
1. Digital strategic scanning	Monitoring technologies, competitors, customers, regulation, ecosystems	Detect digital threats and opportunities early
2. Digital-maturity assessment	Diagnosing infrastructure, skills, data, culture, and leadership	Establish the firm's digital baseline
3. Strategic intent and business-model redesign	Reframing mission, value proposition, and revenue logic	Align strategy with digital value creation
4. Dynamic capability development	Building sensing, seizing, and reconfiguring capacities	Increase strategic adaptability
5. Agile governance and implementation	Iterative execution, experimentation, and rapid feedback	Improve transformation speed and learning
6. Adaptive performance control and renewal	Flexible metrics, data-driven control, strategic updating	Sustain competitiveness and resilience

Source: developed by the author based on [1]–[12].

Conclusion

The digital economy requires business entities to rethink the methodology of strategic management. The reviewed literature shows that digital transformation changes the environment, the basis of value creation, the organizational capabilities firms need, and the performance systems through which strategy is controlled. As a result, purely classical planning approaches are no longer sufficient when used alone.

This article argues that methodological approaches to strategic management in

the digital economy should combine dynamic capabilities, business-model innovation, data-driven diagnosis, agile governance, and ecosystem thinking. The proposed integrated framework reflects that need and suggests that effective strategy in the digital economy is not static, but adaptive, digitally informed, and continuously renewed.

Future empirical studies can build on this framework by testing its components across different sectors, firm sizes, and national contexts, especially in emerging economies and SME environments where digital transformation remains uneven.

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