

THE IMPACT OF THE INTERNET OF THINGS ON DIGITAL BUSINESS TRANSFORMATION

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Abstract: *The term "digital business transformation" refers to the integration of digital technologies into the business processes of an organization. The process of digital business transformation extends from the moment of implementation to the full integration of digital technologies into the organization's business processes. Rapid technological advancement brings numerous advantages to people, both in their personal and professional lives. The application of modern technologies significantly facilitates daily functioning for individuals and provides numerous benefits in business processes, the most important of which is cost savings, which, together with overall revenues, generate profits for companies. The goal of every company is to minimize costs to maximize profits, a goal that is achieved through digital business transformation. In addition to cost reduction, digital business transformation also leads to reduced waste in production processes, which is also of utmost importance for businesses, as well as reduced costs of utilities while also ensuring an improved customer experience. This paper analyzes the role of digital business transformation in the business environment. First, the concept of digital transformation will be defined. Then, some of the most significant digital technologies enabling digital business transformation will be explained. This part of the paper will describe Internet of Things technology as one of the key technologies enabling digital business transformation. Finally, the key advantages and disadvantages of digital business transformation for organizations will be described. The progress of technology cannot be avoided; instead, it must be followed to maintain a competitive advantage in the market, which is the main goal of every business entity.*

Key words: *Digitalization, digital business transformation, digital economy, digital technologies, IoT (Internet of Things), artificial intelligence*

JEL classification: *O30, O33*

1. INTRODUCTION

Many often confuse the terms digitization, digitalization, and digital transformation because all three are different concepts, so we will define each of them separately. The term digitization refers to the process of creating digital forms of information that were previously analog. An example of digitization is the creation of digital records of various documents that were originally written on paper, either manually or using a typewriter, as well as the creation of digital forms of photographs, videos, audio recordings, and the like. Digitalization, on the other hand, involves the use of existing technologies and collected information to improve business processes or replace existing ones. Digitalization aims to achieve numerous goals, with one of the most significant being the creation of profit and an environment necessary for so-called "digital business," where information plays a primary role. An example of digitalization is transferring documents from a computer to the cloud and sharing such resources with others to provide faster and easier access to these resources. Digital transformation, finally, refers to the comprehensive integration of digital technologies into all areas of business. Digital transformation achieves fundamental changes in the business of an economic entity and the delivery of realized value to its customers.

Every economic entity that undergoes the process of digital business transformation radically changes its model of conducting business. Business processes are completely changed, enabling the generation of new revenue streams for every economic entity that decides to implement a digital business transformation. The rapid development of technology has facilitated the execution of numerous business processes that were much more difficult and different in the past using traditional methods of doing business. Further development and advancement of technology and the creation of computers as we know them today have greatly facilitated not only manufacturing but also service activities. For example, medicine as we know it today is entirely different from what it was without the use of technology. Many devices used in medicine today have facilitated the diagnosis and treatment of numerous conditions or diseases, and today, thanks to digital transformation, it is possible to predict the further course of disease progression with great precision. In addition to medicine, agricultural production has also made a breakthrough thanks to digital transformation. Numerous devices and technologies present globally and gradually becoming increasingly present in our market enable the prediction of numerous conditions related to crops, such as drones used for early detection of crop diseases and for treating crops with pesticides and insecticides.

As we can see, digital transformation has not only affected business but also many other areas. Unfortunately, attitudes towards technology are still divided, although, over time, many who have a pronounced animosity towards it are slowly beginning to use it to the extent necessary for them. There are numerous advantages that digital business transformation brings, but also disadvantages. IoT (Internet of Things) is a technology that, together with mobile technologies, big data technologies, and cloud computing technologies, plays a crucial role in digital business transformation. These technologies enable the collection of vast amounts of data, their storage, and analysis, so that the collected and analyzed data can be further used to improve efficiency, productivity, and innovation within the organization. In the following work, digital business transformation will be explained, as well as the technologies that support this process.

Numerous pieces of literature investigate the digital transformation of business, on the basis of which it can be concluded that this topic is very important and current. During the preparation of

this paper, data collected from secondary data sources was used. The methods used in the preparation of this paper are the methods of induction, deduction, analysis and synthesis, and description.

2. LITERATURE REVIEW

Ismail, Khater, and Zaki (2017) state in their work that digital transformation has become a key topic for many companies worldwide over time. They also believe that many companies that, for various reasons, do not want or cannot adapt to the digital world may disappear and lose market competition as it stands today. They also believe that only companies that keep up with emerging technological trends will continue to exist and successfully deal with all the challenges they face in the market. According to these authors, digital transformation is described as the integration of digital technologies and business processes in the digital economy. Digital transformation aims to affect three organizational dimensions: external, internal, and holistic. Regarding the external dimension, the focus is on digitally enhancing the customer experience and changing the lifecycle. In terms of the internal dimension, the focus is on business operations, decision-making, and organizational structure. As for the holistic dimension, it signifies the impact of digital transformation on all business segments and functions, resulting most often in the development of new business models.

Vujović (2020), in his work, states that digital transformation began in the 1960s with the emergence of mainframe computers. With the appearance of these computers, the process of developing programs and application software designed for automatic data processing began, which significantly contributed to increased productivity and global economic development. Companies use information technologies to ensure the development of new business models, products, and services, leading to changes in existing processes and value chains. Vujović also notes that digital transformation changes the way companies operate and changes the awareness of all employees. The three components defining the digital transformation of modern companies are: the digital work environment, the digital user experience, and digital business models and ecosystems. The digital work environment involves the use of mobile technologies (tablets, laptops, etc.), collaborative tools, and social networks, as well as the use of technologies initially intended for private users. The digital user experience refers to the user experience, which is a key factor in the digital transformation process, as every negative experience affects the

perception and sales of products. As for digital business models and ecosystems, it is considered that any company that does not connect and develop jointly with other companies will not be able to withstand the competitive pressures in the market. By working together, companies can increase their market value, develop new sales, production, and business models, and create new digital ecosystems.

Kahrović (2021) believes that the digital economy, based on digital technology, influences the creation of the concept of digital business transformation. The term digital transformation refers to a process that begins when an organization starts thinking about introducing digital technologies in all areas of its business. This process lasts until digital technologies are fully integrated into the organization's business. The goal of digital business transformation is to improve business performance, and without it, business is not possible. Today, there are many examples of organizations in whose work digital technologies are essential, and some of the companies whose businesses would be unthinkable without the use of digital technologies are: General Electric, Netflix, Uber, Airbnb, Booking, PayPal, and so on. Kahrović (2021) also believes that the process of digital business transformation takes place through the formulation of corporate strategic directions, i.e., the way in which the company's digital transformation will take place. This process should be integral, resulting in changes not only in the offer of products and services but also in terms of business processes, organizational changes, changes in organizational culture, and changes in the organization's position in the digital market.

Burilović (2020) defines digital business transformation as a change in the way digital technologies are used to develop a new business model that enables the creation and provision of greater value to consumers. Technological advances have accelerated the process of digital transformation to such an extent that managers and entrepreneurs believe that digital transformation can simultaneously be an opportunity and a threat. According to estimates by CISCO Systems, it was considered that by 2023, there would be more than 29 billion devices connected to the Internet, and this growing trend will continue in the future. This group of devices includes smartphones and IoT devices, or smart devices. Also, Burilović (2020) believes that for successful digital transformation, a change in mindset and corporate culture of the organization is necessary, which is also considered one of the most important dimensions of the digital

transformation process. It is believed that a company that successfully undergoes the process of digital business transformation thereby ensures a long-term perspective of sustainable business and maintains or improves its competitive advantage.

Matković, Marić, Tumbas, and Đurković (2018) emphasize in their work that organizations are increasingly turning to the application of modern technologies to leverage their competitive advantages and be more successful in market competition compared to their competitors. The primary goal is to achieve better business results. In addition to products and business processes, digital technologies aim to improve sales channels and supply chains. They also believe that any new technological trends or new technologies that emerge will have a significant impact on the digital business transformation of organizations as they exist today. The mentioned authors also emphasize that any change provided by modern technologies cannot contribute to better business results without accompanying organizational changes. Organizational changes, together with numerous modern technologies, are the way to successful digital business transformation and thus guaranteed business success in today's conditions.

3. DIGITAL BUSINESS TRANSFORMATION

Given the constant advancement of technology and its increasing integration into people's lives and daily routines, organizations are increasingly opting for the adoption of modern technologies. The goal is to maintain a competitive advantage in the market and, above all, achieve the best possible business results. To fully leverage the benefits of digital business transformation, which will be discussed later, it is necessary to carry out a reorganization of business operations to replace existing business models with new, improved ones.

Digitization has led to a situation where IT strategies are no longer solely at the functional level. Rather, the alignment of IT strategy and business strategy is essential, resulting in a unified strategy referred to by experts in this field as digital business strategy. This strategy serves as the foundation for the transformation of modern organizations, as it allows for a more efficient utilization of human resources, assets, and technologies and the design of improved automated business processes (Matković, Marić, Tumbas & Đurković, 2018).

The digital economy, based on information and knowledge, cannot function without digital

technologies. The key to today's business lies in information, and not just any information but timely, accurate, and complete information.

The best direction for digital strategy depends on the strategic goals of the company, the industry to which it belongs, the pressures it faces from competition, and, of course, customer expectations. In industrial sectors dominated by physical products (such as mining, metal industry, woodworking, automotive industry, etc.), companies usually begin the digital transformation of their business operations with the aim of achieving higher product quality, reducing waste, and consequently reducing labor costs. In the service sector (finance, telecommunications, etc.), where many services are offered through mobile devices, the focus is on creating value for customers, providing numerous benefits. For example, users of mobile banking services can pay their bills from anywhere in the world, provided they have funds in their account and an internet connection, without physically going to the bank and making the payment. Any cost reduction in business processes automatically leads to higher profits, although this also has its negative effects, which will be discussed later in the section on the advantages and disadvantages of digital business transformation (Stefanović & Simić, 2020).

There are also companies in certain industrial sectors, such as insurance companies or oil processing companies, whose operations could still continue without the digital transformation of their businesses. However, even companies in such industrial sectors opt for the digitalization of their operations to modernize and optimize their business operations and processes. Their goal is to reduce transaction costs and increase flexibility (Stefanović & Simić, 2020).

In the process of digital business transformation, a company first needs to decide whether to develop digital products, digital business models, or both. Numerous studies have shown that all major companies primarily start with the digital transformation of their products and services, followed by the development of digital business models, which show how value is created for customers. After digitizing their offerings (products and services) and educating on digital business models, companies seek to develop their digital ecosystems. The success of a business model depends on its proper alignment with the business ecosystem in which it is applied, to further its development and advancement. The three main elements necessary for building a business ecosystem are: a digital platform, network effects, and market expectations. A digital platform is nothing but the technical

infrastructure within which ecosystem participants integrate, and it serves as the main pillar of the business ecosystem, around which participants gather to provide products and services to customers. It is believed that without a digital platform, there is no business ecosystem (Stefanović & Simić, 2020).

As mentioned earlier, business models are redefined through digital business transformation. The new digital economy refers to new business models, products, services, and markets. Digitalization has abolished intermediation through digital services and products. All business transactions take place in a virtual environment, and traditional business is transformed by digital technologies to ensure competitiveness in the digital economy. Any inequality in access to technologies, information, and knowledge is defined as the digital divide. There are numerous reasons for the emergence of the digital divide, with poor economic conditions and the quality of education in society among the main factors. Access to digital technologies provides opportunities for economic growth and poverty reduction. The challenge of the digital economy is the inability to apply the internet in business due to poor infrastructure, a lack of skills, and high costs of equipment, networks, and software. Measures to narrow or, if possible, overcome the digital divide depend primarily on the type and causes of the digital divide. Since the digital divide is a specific phenomenon of the digital economy, it is almost impossible to completely overcome it, and attention must be focused on narrowing it (Krsmanović & Gavrilović, 2020).

3.1. TECHNOLOGIES ENABLING DIGITAL BUSINESS TRANSFORMATION

The development of Information and Communication Technologies (ICT) and the internet has enabled new ways of communication between people as well as between organizations and their stakeholders, such as suppliers, business partners, and customers. Further advancement in ICT has led to the emergence of electronic commerce and electronic business. Initially, information technologies supported existing business processes, but today, they are used for developing new products, services, and business models. Four fundamental technologies that have provided numerous opportunities for organizations to successfully execute the digital transformation of their businesses are (Matković, Marić, Tumbas & Đurković, 2018):

- Mobile technologies
- Cloud computing
- Big data
- Social media

- IoT technologies
- Artificial intelligence (AI).

The use of mobile technologies in business involves the utilization of all mobile devices, such as smartphones, tablets, and similar devices, as well as the applications located on these devices. Applications are typically directed towards customers, partners, suppliers, and employees, and the use of mobile technologies alone provides numerous benefits for organizational operations. For example, "Delta Air Lines" is one organization that has leveraged mobile technologies for innovations in its business. Around 19,000 flight attendants of this company possessed mobile devices, resulting in increased in-flight sales revenue. Mobile technologies have generated significant revenue for this company because the airline provided mobile devices embedded in seats, allowing passengers to book new airline tickets, book hotel accommodations, and utilize various other services during flights (Matković, Marić, Tumbas & Đurković, 2018).

Cloud computing, or cloud computing, represents the ability to use numerous IT and software solutions as service-based offerings. These services can be paid for on a monthly basis or based on the volume of services used. This type of technology enables organizations to achieve significant cost savings, both in terms of infrastructure costs and labor costs. Today, organizations must be more agile, flexible, and faster in meeting customer needs, and there are examples of numerous companies worldwide that could not meet all the needs of their customers until they transferred their databases to the cloud. This has provided them with many advantages in terms of data management optimization and data transmission, and the key to the functioning of the digital economy is relevant information, which must be available at the right time and in the right place. This is precisely achieved through these technologies (Matković, Marić, Tumbas & Đurković, 2018).

Big data, or big data technologies, refers to technologies that store huge amounts of diverse data that need to be processed quickly to make appropriate business decisions. These data can be both structured and unstructured, so conventional data processing cannot be efficiently conducted, jeopardizing business decision-making. Therefore, more and more business is conducted while considering the big data concept because it enables overcoming obstacles in analyzing large amounts of data (Matković, Marić, Tumbas & Đurković, 2018).

Social media technologies are intended to facilitate social interaction via mobile devices,

which must be connected to the internet. Social media includes social networks, blogs, web conferences, and similar platforms. The increasing presence of people on social media makes it easier to reach existing customers and attract many new customers or service users for organizations. Many organizations today use social media to listen to and understand consumer attitudes towards their products, services, and overall business operations. In addition, organizations use social media for communication with their employees and customers to facilitate their use of products or services, and users leave their comments via social media, which are extremely valuable to the organization as a form of feedback related to their business (Matković, Marić, Tumbas & Đurković, 2018).

Additionally, one of the technologies that has been expanding in recent years is artificial intelligence, which represents nothing but the replacement of human intelligence by computers in many activities. There are many definitions of artificial intelligence, but a generalized one would be that artificial intelligence is the ability of computers or programs to mimic human behavior and act in accordance with human behavior, i.e., to mimic human intelligence and behavior. Regarding business digital transformation, artificial intelligence is increasingly recognized as a technology that can improve competitive advantage, innovation, and growth for organizations using this type of technology (Tovarloža, Perić & Đurkin Badurina, 2019). Digital technologies, accompanied by organizational changes, contribute to improving overall business performance, making digital transformation truly essential for successful business operations in today's conditions.

3.2. THE IMPACT OF THE INTERNET OF THINGS TECHNOLOGY ON DIGITAL BUSINESS TRANSFORMATION

Today, the IoT concept is increasingly applied both in private and business settings. The IoT concept entails a large number of smart devices connected to the internet. These IoT devices automatically collect data and send it to a computer or mobile phone user or to a database, most commonly stored in the cloud today. IoT devices can be part of a fully automated system that reacts to given conditions without the need for human intervention. Of course, people can also initiate commands through applications on their mobile devices. For example, in a manufacturing plant, heating or cooling can be remotely activated via a mobile phone application one hour before arriving at work (if not automatically set), thereby avoiding unnecessary

heating or cooling when there are no employees present. This leads to significant cost savings. Furthermore, in case of any emergencies in the manufacturing plant, IoT devices would detect a problem in time and alert, thus minimizing damages in terms of human casualties and potential material losses. For instance, if smart smoke detectors are installed in the manufacturing plant, they could promptly react and extinguish a fire, or the system would react if fire sprinklers were installed in the organization (Ilić, Damjanović & Katanić, 2023).

IoT technology protects resources by preventing their excessive and unnecessary use. IoT technologies are also applied in households, turning traditional homes into "smart" homes. Smart devices are increasingly used in buildings and manufacturing plants, turning cities into smart cities that produce and consume more green energy. In homes, smart devices such as smart refrigerators, smart beds, smart light bulbs, smart locks, smart vacuum cleaners, smart pet feeders, and many other devices are becoming commonplace. The automation of production processes using IoT technologies has contributed to improving the quality of the products and services we use daily. This leads to increased productivity and reduced production costs, as well as precision and accuracy during product and service delivery. Additionally, IoT technologies provide easier and more convenient task execution and increase safety and security in both manufacturing plants and households, cities, and buildings. In their unique way, IoT technologies also contribute to environmental conservation by conserving scarce natural resources, optimizing their usage, and reducing waste generation (Ilić, Damjanović & Katanić, 2023).

Primarily, IoT technologies aim to provide the right information in the right place at the right time to better plan various activities to avoid production line interruptions. IoT systems can autonomously perform self-checks at certain intervals and identify components that could potentially fail, allowing for timely repairs or replacements. Unexpected downtime and prolonged servicing of breakdowns in manufacturing plants could be prevented, thus avoiding possible accidents in production facilities. All these activities extend the lifespan of equipment, increase workplace safety, and prevent the possibility of increased operational costs (Damjanović, 2017).

In the Swiss canton of Zug, in the city of the same name, there is the Siemens campus, which is part of their project to demonstrate how digital

transformation using state-of-the-art technology drives a human-centered sustainable environment. The campus covers an area of 25,000 m², with a total floor space, including all floors, of 81,000 m². Of the total floor space, 13,000 m² are used for production, 39,000 m² are used as office space, and the total number of employees on this Siemens campus is 1,700. At the top of the campus are 3,500 solar modules, covering an area of 6,100 m². The solar panels provide 1,300 MWh of electricity annually, accounting for 20% of the total electricity used by the campus annually. Additionally, the campus uses 2,100,000 m³ of water from the lake for cooling and heating purposes. The water maintains a certain temperature even in winter and only needs to be heated by a few degrees, resulting in significant savings compared to heating costs using gas or other energy sources. Switzerland is seeking to reduce pollution in various ways, and by using water from the lake, which is a natural resource, heating is ecologically the cleanest using this system because no harmful gases are released into the atmosphere as a result of burning fossil fuels, as was the case earlier during winter periods. On the campus roof, there are 7,800 m² of greenery to optimally utilize the space occupied by the campus and provide oxygen production through the process of photosynthesis. By not using fossil fuels, around 195 tons of CO₂ emissions are avoided annually (Siemens Campus Zug, Switzerland).

Some smart buildings even use rainwater as technical water by collecting it, storing it in concrete basins, and using it for toilet flushing, floor washing, or cleaning concrete surfaces around the building. In this way, a considerable amount of drinking water is saved because it is not used unnecessarily for these purposes. An example of such a smart building is Edge in Amsterdam, where employees do not have fixed workstations but are assigned them upon arrival at work. The entire building is made of glass to use natural light to illuminate the interior of the building throughout the day and reduce the use of artificial light and, consequently, electricity costs to a large extent (Randall, 2015).



Image 1. Edge smart building in Amsterdam
 Source: <https://edge.tech/developments/the-edge>

Employees in this building start their workday by using an application on their mobile phones. Through the application, employees receive their schedules, and upon arrival at work, cameras detect employees' cars and guide them to their designated parking spots. Depending on their schedule, employees are assigned their workspace because, as mentioned earlier, they do not have their own offices. This approach aims to facilitate communication among all employees by ensuring that they do not sit with the same colleague every day. Edge possesses 28,000 sensors that detect numerous changes within the building and adjust the environment accordingly. For example, when visibility decreases in the building, LED lights are activated to illuminate the space, but only in the part of the building where employees are located. The smart mobile phone of the employee is, so to speak, the "passport" for the Edge smart building. Through it, employees receive all information more quickly and efficiently, including turning heating on or off via a smart thermostat and controlling numerous other IoT devices within the smart building. The south wall of this smart building is covered with solar panels, and thanks to solar energy, the building consumes 70% less electrical energy (Randall, 2015).

From the examples provided, it is evident how much digital transformation has contributed to energy savings, natural resource conservation, and improved environmental awareness and responsibility among companies that have embraced and implemented it in their operations. Technologies are certainly there to make everyday life easier, whether used in private or business life, and the examples mentioned highlight the numerous advantages they bring. The use of IoT technologies in business, based on sensors and actuators, enables data collection,

which is analyzed to make numerous decisions. As buildings using IoT devices become smart, so do factories that utilize IoT devices in their operations and become smart factories. Within smart factories, all data about human, physical, and operational assets is integrated into a unified whole to initiate maintenance, production, digitization, and various other activities in manufacturing plants. All production facilities use data and information from different components thanks to sensors to achieve predictive maintenance in the sense that machines assess their work and detect potential failures. Connectivity, achieved in factories as a result of using IoT devices, represents the most significant source of value. All collected data via IoT devices reflects the current state, and based on the gathered data, insight into the entire supply chain can be obtained, thus improving its efficiency. Business process automation within factories enables more efficient resource utilization, improved production, enhanced quality and precision, reduced costs in terms of utilities, and the generation of large amounts of waste. RFID technologies are also of great importance for the use of IoT devices, enabling automatic identification of numerous tools used in factories. By using IoT technologies in business, product delivery times to consumers are reduced, and productivity is improved. The technologies most commonly used to transport collected data from the environment via IoT devices to the cloud are usually WiFi and Bluetooth due to their speed, reliability, and security. Worker safety in manufacturing plants where IoT devices are used is increased because workers can carry portable devices with them, through which they can receive emergency information in the form of potential hazards that may occur in the production facility (Kalsoom, Ahmed, Muhammad Rafi-ul-Shan, Azmat, Akhtar, Pervez, Imran, Ur-Rehman, 2021). Companies recognizing all the benefits of IoT technologies achieved by their application in business are increasingly investing in these technologies with the aim of survival to successfully withstand challenges in conditions such as those today.

4. ADVANTAGES AND DISADVANTAGES OF DIGITAL BUSINESS TRANSFORMATION

Digital technologies bring numerous advantages both to individuals in their private lives and to businesses in their professional endeavors. Organizations reap many benefits from the digital transformation of their operations, and as mentioned earlier, companies operating in today's market conditions would not be successful

without the use of digital technologies in their operations.

Digital business transformation offers numerous conveniences for both organizations and the customers or users of their products and services. By leveraging various technologies that facilitate digital business transformation, the advantages include (Matković, Marić, Tumbas & Đurković, 2018):

- Accessibility to corporate applications and data from anywhere on the globe.
- Increased employee productivity.
- Enhanced collaboration among employees.
- Flexible data storage capacities.
- Increased business agility.
- Faster insights into organizational data.
- Provision of vast amounts of data from various sources for more effective decision-making.
- Reduction of fixed costs for the organization.
- Improvement of customer communication.
- Enhancement of service delivery to customers.

Since organizations also have a presence in the digital marketplace, customers can always access the organization's website and view its offerings. Through the website, they can obtain various information about product usage and services and provide feedback via comments, which is crucial for the organization's further business operations and potential modification of its business strategy. A successful digital business transformation streamlines employees' daily activities, ensures a reduction in waste during the production process, and increases employee productivity. Additionally, all employees, thanks to digital technologies, are interconnected and can exchange information more quickly and easily, which is essential for their business operations. Considering that information is the "fuel" of the digital economy, and the digital economy is characterized by an abundance of information, flexible data storage capacities are vital for storing enormous amounts of information, whether collected via IoT devices or based on written documents. Thanks to digital technologies, the organization's agility has increased, allowing it to respond quickly and efficiently to changes, whether they occur in the organization's internal or external environment. With digital technologies, quick and straightforward access to data essential for business decision-making can be achieved through queries to the database. The goal of every business entity is to minimize costs to the lowest possible levels because total costs, together

with total revenues, generate the company's profit. Digital business transformation ensures cost reduction and an increase in the company's profit. The goal of every organization is to retain existing customers, understand their expectations, needs, and desires through marketing research, and meet their demands to maintain their loyalty. Digital business transformation enhances communication with existing customers and opens doors to potential customers by continually striving to improve the customer experience.

In addition to the advantages, there are also certain disadvantages of digital business transformation that people encounter when it comes to using digital technologies. Many people develop animosity when they encounter anything new and previously unknown, requiring certain mechanisms to motivate or, in some cases, compel them to use modern technologies. By using them over time, most people find that it is not particularly difficult, and they quickly adapt to new technologies.

As for the disadvantages of digital business transformation, some of the most significant ones include:

- Insufficient skills of employees to use digital technologies.
- Risk of unauthorized access to organizational resources.
- High costs of providing digital technologies.
- High maintenance costs of digital technologies.
- Dehumanization of business.

A significant problem is the lack of skills among employees in the organization who should use the new technologies introduced into business processes as a result of digital business transformation. Therefore, organizations often need to organize training for their employees and allocate financial resources for employees to acquire the necessary skills. There is another problem in this situation, and that is the possibility of employees leaving the organization after completing the training and gaining additional skills, which would effectively be a loss for the organization as they must find new employees and send them to training for the use of new technologies. Since today's society is a so-called "information society" that uses digital technologies, there are significant risks that all the necessary information for business will come into the possession of unauthorized persons. If the information of an organization, which has a competitive advantage in the market, falls into the hands of competitors, it could signal the end of the organization's business strategy affected by the

intrusion into its information system. Therefore, it is necessary to take precautionary measures to take all steps to protect information, as a crucial resource of the organization's business, in the best possible way. Digital technologies that facilitate the digital transformation of an organization's business are often expensive and cost-effective in the long run. However, at the time of their introduction into the organization's business processes, it is necessary to set aside a considerable amount of money to procure the necessary technologies. Also, in case of malfunction or any damage to production facilities, it is necessary to provide experts who can rectify faults or damages to devices used in the organization. Whether the company will opt to hire experts as their employees or outsource such services depends on the company's management. If any of the employees were responsible for maintaining these technologies, in case of malfunction, every delay could be rectified faster to avoid disruptions to the production process. In the case of outsourcing technology maintenance services, it would take some time for one of those responsible for maintenance to come, identify the fault, and rectify it. In terms of costs, it is more cost-effective to periodically outsource technology maintenance services in the organization than to have an employee as an additional cost in the organization, but as mentioned earlier, although it would be an additional cost, the difference is reflected in the speed of rectifying faults. As a significant challenge of digital business transformation, dehumanization of business is mentioned, or the decreasing number of workers in organizations, because with the introduction of digital technologies, the need for a large number of workers decreases as a result of the automation of business processes. This is an advantage for the organization as it reduces costs in terms of financial allocations for salaries, taxes, and contributions, which are the employer's obligations for each of his employees. On the other hand, this is a problem for employees because they remain jobless at the given moment. Artificial intelligence, as a new technology under development, threatens to completely remove a large number of occupations "from the scene." Be that as it may, no matter how much people oppose and harbor animosity toward digital technologies, it would be good to understand that every technological development aims to make human everyday life easier, whether it is in private or business life. IoT devices are relatively inexpensive technology today that is increasingly used for business purposes and enables significant business transformation. The use of these devices increases security in all phases of the production

process, as it reduces the human factor's impact and its reaction in critical situations. This also leads to significant economic savings because manual labor is significantly reduced, along with the need for some jobs, which are now completely replaced by IoT devices. Also, the disappearance of a large number of jobs as a result of the introduction and development of technology also results in the creation of a huge number of new jobs in terms of maintenance, management, and implementation of new technologies.

CONCLUSION

The development of technology is an ongoing process, and it is believed that there will never be a moment when we can confidently say that the development of technology has reached its peak. In the future, there will be more and more new technologies that will make human everyday life easier, both in private and business life.

Digital business transformation is essential for every organization that wants to exist and operate in today's market. Implementing new technologies is usually a process that requires significant amounts of money to acquire them, but looking at the long term, this investment is indeed profitable. Carrying with them all the advantages and disadvantages, it can be concluded that digital technologies are an indispensable part of human daily life. The most successful companies have recognized digital business transformation, and by introducing digital technologies, they have improved their business processes, built new business models, and provided savings in terms of costs and workforce. Although a large number of workers are left without jobs due to the introduction of digital technologies into business processes, it is believed that the emergence of new digital technologies will lead to the appearance of a spectrum of new occupations that these workers could engage in in the future. Technologies are here to make human daily life easier, not harder, but it is necessary to use them with caution to protect all information, which is the key to business in today's economy.

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