

CHAPTER 1

ADAPTING TRADITIONAL BUSINESS MODELS IN THE DIGITAL ERA

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KEYWORDS

TRADITIONAL
BUSINESS
MODELS, DIGITAL
AGE ,
TECHNOLOGICAL
ADVANCEMENTS,
MARKET
DYNAMICS

ABSTRACT

There are changes in businesses all over the world that have never been seen before. This is because technology and the market are changing so quickly. A business needs to change how it works in order to deal with the new problems and chances that come with living in the digital world. What made well-known business plans work? We look at their roots and compare their growth to that of current competitors. There are many things that can cause change, such as shifting consumer habits, the rise of digital technology, and the need for a more connected market. Case studies are used to show what happens when companies don't update their models even though they know they are out of date. It talks about important signs and draws conclusions from them. At the heart of our work are the ways that businesses deal with this new world. To understand what digital transformation is and how it works, we look at how businesses use technology and data analytics. Because trends change and the world market works in a certain way, businesses are trying to get more and better customers. One important idea is that businesses

should be able to easily and quickly shift to new situations. These models will help them in the long run to stay ahead of the competition. We look at companies that have been able to handle change well and use what we've learned from those companies. These real-life case studies help you decide what to do, how to use key strategies, and how making changes to a business plan the right way can change the game. The chapter also talks about the issues companies face when they try to change and how to fix them. It focuses on how important leadership and group culture are. Changes in business models can be helped by leadership. The qualities of flexible leadership that make a company open to new ideas and change are looked at in depth. This chapter talks about good leadership styles and how they can be used to link creative leadership with a successful change in the way a business works. We talk about changes in business and technology that might have a big effect on the business world. It's all about figuring out what will happen next. Businesses need to be flexible and willing to adapt to new ideas if they want to stay strong and successful in the digital age that we live in. Taking a look at all of them together, this sketch shows how old business models can be changed to meet the ever-evolving needs of global connectivity and technology progress. It can help you change your business plan, which can be hard to do.

1.1 INTRODUCTION

People in business today have to choose between new ideas and old ways of doing things. This is the case since the market and tech change so quickly. Things have changed in the business world. Some old business ideas need to be changed. They need to do this to stay important and ahead of the game. Business people need to adapt to the times. The way people do business has changed, as has trade and habits. This is the first part of a full look at the good and bad things about changing how companies have always done things. We'll look at these types and see how they've changed over time to do this. We can use this to show how businesses are changing to fit the new business world. You'll get used to new and changing digital things faster if you're ready to try them. You can also learn how to make changes at

work as a boss. We can learn a lot from businesses that have not only made it through tough times but also grown stronger and better able to handle them. Let's talk about the most important part of making changes to a business plan right now. You can do this if you think about the big picture and plan ahead.

1.2 UNDERSTANDING TRADITIONAL BUSINESS MODELS

The way business has been done for a long time has been the same. This is what a business had to do to follow these rules and habits. A normal business model is a group of plans, methods, and systems that show a company how to make, give, and receive value. It comes from the way businesses worked in the past, when they were mostly shops and had clear value chains. There's been a lot of talk about how important it is to know why business things are done the way they are. In "Business Model Generation," Osterwalder and Pigneur write about this important work they did in 2010. You can see how to completely separate the parts of shared models in this video. They talk a lot about cost structures, customer groups, value deals, platforms, customer relationships, income streams, important activities, important partnerships, and cost structures. It's hard to understand the old ways of doing business, but this method lets you see them. A lot of people have written about how business models affect how well a company does. Two of them are Chandler (1977) and Penrose (1959). It's clear from Penrose's view on resources that a company's own resources give it an edge over its competitors. Chandler's study of how big companies grow shows that structure and plan are also very important. To figure out how to change these business models, we need to see them in the context of history as a whole. A lot of things were made at once during the industrial revolution, which changed how business was done. Because of these changes, the normal ways of running a business have changed. These ways depend on speed and savings of scale. Business models changed after the industrial age. They became more service-based, putting customer needs first and building relationships with them. Last but not least, there are many ways to fully understand how normal businesses work. Like what Chandler and Penrose said and tools like Osterwalder and Pigneur's business model sketch. We learn more about how important it is to be able to grow and change with the times through this simple idea.

1.3 DRIVERS OF CHANGE

Two key things that are changing the business world right now are fast-changing technology and big shifts in the way people buy things. Digital tools are the main reason why business has changed in every way these days. What AI and ML do is let companies guess what will happen next, which is changing how they do

business. This helps people pick the best options and makes the experience more unique for each customer. You can connect things in ways that have never been done before and learn a lot from your info with the Internet of Things (IoT). Old ways of doing business are also changing because people are acting differently. This is because of digital link, buyers today want things that are simple, enjoyable, and fit their needs. Because of the rise of social media, mobile apps, and online shopping, people are pickier. There is more care for the customer now because of this. Economies are becoming more global as more countries depend on each other. These changes are bigger now. They have to deal with many rules, differences between regions, and ever-changing market conditions since they do business all over the world. Two important things that make things change are what people want and how well technology works. These forces will affect business in the future as well. Companies that understand them and plan how to deal with them will be able to react to the current business environment and also change the way business is done in the future.

1.4 SIGNS OF BUSINESS MODEL OBSOLESCENCE

They need to fail at their business goals in the fast-paced world of business. Business ideas might not work as well or as often as they used to. This could be true because the profit margin may not have changed if it keeps going down. Costs, prices, or the market may have changed. If a company's return on investment is going down, they should carefully look at their plan to see if there are any signs that it isn't working or is out of date. If the market is already very big, it might be hard for a business to get bigger. This could mean that the current business plan isn't working as well as it could. There is more competition when the market is full and everything looks the same. You need to find new ways to earn money right now. If a business plan isn't special enough or can't be kept up to date, it might not work. When new tools come out quickly, a lot of people have to change how they do business. If they don't try new things, they might not be able to hold on to their lead. If you don't make the changes people want, they might get even madder at your business. This could be shown by people who talk badly about you or don't stick with you as much. To stay in business, a company has to change with the times and meet the wants of its customers. If businesses don't want to change, it might be tough to get them to. If companies don't change their plans right away when new rules, tools, or the market come out, they might not be up to date. A new company with fresh ideas might be able to beat an old one. Some of your users may want to hang out with people who are open to changing as they get better. This could mean that a company doesn't change its plans to meet customer needs. Laws

that change all the time can make it hard to do business in some places. You could be breaking the law or not up to date if a business doesn't plan for and react to changes in the law. It might be hard for a business to take advantage of new possibilities if their IT system is old and not up to date with the latest best practices. Tech should be able to do what people want it to do these days. Check these signs to see if your business ideas will still work. Businesses need new things all the time. Companies can handle this better if they know about it, review their plans often, and tell their workers to be honest.

1.5 STRATEGIES FOR ADAPTING TRADITIONAL BUSINESS MODELS

Old business models need to be changed in a planned and smart way in order to work well in today's fast-paced digital world. Businesses that is good at staying ahead in markets that are always changing use a lot of different strategies. This is because change can be hard to handle. Here are a few of these strategies:

- AI, ML, and data analytics are examples of cutting-edge technology that you should buy to make things run more smoothly, help you make decisions faster, and make the customer experience better.
- You need to open or improve online shops if you want to reach more people and make business easier through e-commerce.
- You should find ways to make your business more flexible if your market is growing so you can meet their needs.
- You should expand your business to new countries or areas to reach more people and lower the risks that come with changes in the local economy.
- Structures of organizations that can adapt and change quickly:
- As a way to make your business more quick, flexible, and good at working together as a team, you can build agile models into its structure.
- If you want to hire the best people and keep them happy at work, let them set their own hours and work from home.
- Look at data to find out what your customers like and how they act. You can then give them special events, items, and services.
- Make sure that your customers can keep giving you feedback so that you can learn from them and change your business to meet new needs.
- Fund projects that do research and growth to make the company more open to new ideas.
- When you want to keep up with new technology and trends, you should work with companies, schools, and people who are changing the field.

- To get more done for less money, look at your internal processes often and make them better.
- Use technology to speed things up, cut down on wait times, and make it easier to see the supply chain.
- When you work with or partner up with other businesses, you can share resources, learn from each other, and find chances that are good for everyone.
- It's a good idea to join ecosystems if you want to find out about new business trends, share the best ways to do things, and find ways to work together.

1.6 OVERCOMING CHALLENGES IN BUSINESS MODEL ADAPTATION

It's hard to run a business in the internet world. How much you get done will depend on how well you deal with problems. People who don't like change at work make things very difficult. It can be hard to get people who are used to following steps and rules to think in ways that are open to new things and ideas. To fix this, we need change management tools that really work. Key partners should be involved, communication should be clear, and training classes should cover a lot of ground. This will help the staff work together to change the business model. Rules are also very important, especially for companies that have to deal with changes in the law all the time. When new laws and rules come out, you should be careful. If a business wants to follow the rules, it needs to hire lawyers and make models that can be changed quickly to meet new rules. Most of the time, businesses have trouble with technology that doesn't work with other technologies because their main technology is old or doesn't work with other technologies. And make sure that the digital skills you teach help you reach the goals in your business plan. Plan how much you will spend on technology changes. When you use technology, there are some risks. That's why you need good data and internet security. People from different fields must work together to change a business plan. But divides in a business can make it harder to do this. People from different fields need to work together and be recognized when they do. Leaders need to get people with different ideas to work together and be a part of the change process. It might be hard to change your business plan if you don't have enough cash. It can be hard to get the help you need when you need to start training programs, patch up technology, or move things around. To keep costs low, businesses should put jobs in order of how much they will help. They should also look for new ways to make money. Finally, things that aren't adaptation itself can make it less useful, like changes in the market and economies that aren't stable. You should have backup plans, know what has happened in the past, and be able to change your approach at any time when you are facing risks from outside sources. Some issues may come up when you try to

change your business model. The only way to handle them is with a detailed and well-thought-out plan. Businesses need to keep their culture strong, make rules that are hard to follow, keep their technology up to date, support teamwork, and be good with their money when there are risks from the outside. Businesses can not only keep up with the fast-paced digital world, but they can also do very well in it if they deal with these problems straight on.

1.7 THE ROLE OF LEADERSHIP IN ADAPTATION

Being a boss is important for making it possible to change old business ways that don't work in the digital world. During times of big change, businesses need leaders with a vision who can create an atmosphere that encourages creativity, adaptability, and speed. When leaders change the business plan, they must first paint a clear picture of the future that shows why and how the change will help the company. People are more willing to change when they have hope in this goal. Make sure that everyone knows the strategic goals and trusts the change process by talking to each other openly and clearly right now. Being a leader is more than just setting a goal. Also, you need to make a place where people want to learn new things and come up with new ideas. People are free to come up with ideas and answers when they are told to take measured risks at work. It's possible for creativity and new ideas to grow when leaders value different points of view and let people say what they want. They need to show that they want things to change by how they act. To put it another way, you need to save money and find people who can help you change. Before they have to, those in charge should spend money on training programs, new tools, and reorganizing their businesses. Also, they should back steps that are in line with the new business plan and say they agree with the changes. Being able to deal with change well is a big part of being a leader during adaptation. You have to deal with your workers' fears, get past their resistance, and set up the processes that will help the change go smoothly as a boss. It's important that workers feel like they are important and being heard. Also, make sure there are open lines of contact so that workers can give you feedback. Finally, you should thank and praise workers for what they've done to help with the change process. To be a good boss in business model change, you need to know a lot about the outside world. The people who are in charge need to pay close attention to how rules, tools, and business trends change. You can only plan for changes and get the company where it needs to be by being a great boss. A leader doesn't just respond to change; they also make it happen. They want people to see change as an opportunity rather than a danger. To do this, you need to create a space where people value adaptability and change, and where mistakes are seen as chances to learn rather than fails.

Lastly, leadership changes a business plan in more than one way. Being open to change, handling it well, and thinking about how things are changing in the world around you are all important things to keep in mind. To get through the hard times of change, groups need strong leadership. A good boss plans the trip, gets everyone to work together, and makes sure that the end product sets the business up for long-term success and relevance in the digital age.

1.8 CONCLUSION

In the modern world that is always changing, some companies have to change how they do things to stay in business. This part talks in great detail about how hard this event was, as well as the issues, strategies, and very important part that leadership will play in the future. The old ways of running a business are becoming less useful as companies try to keep up with how quickly technology changes, how quickly customer wants change, and how quickly the world economy is linked. Selling prices drop and stores get full, which can be a sign of fall. You need to make changes right away. These tips show businesses how to handle these problems and still do well. With a lot of different tools, businesses can deal with the tough parts of adjusting. Some of these are investing in new ideas, being open to digital change and variety, and making groups that can adapt. Right now, being a leader is very important because it helps people figure out how to deal with the changes. Creative leaders make a strong case for change, promise to pay for what they say they will do, and keep an open mind. They not only set the goal, but also make sure that everyone in the business knows about it and is on board with the change. A company is more likely to do well in the long run if it can handle issues, be open to new ideas, and change with the times. The trip has some issues, but getting through them makes groups stronger, more flexible, and better prepared for what the future holds. Finally, businesses should change the way they do things because it helps them get ready for a world where being tough, creative, and able to shift will be very important for success. Companies that do this cutting edge thing not only make sure they can stay in business in the digital age, but they also help to connect and change the global market all the time.

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