

Successful Digital Transformation Needs Both Hands

A study by FHWien der WKW advises domestic companies to strategically utilize the ambidexterity of efficiency and innovation for a successful digital transformation.

Vienna, November 27, 2023 – Since April 2022, the Institute for Digital Transformation and Strategy (IDS) at FHWien der WKW has been researching how Austrian small and medium-sized enterprises (SMEs) can master the digital transformation in a project funded by the City of Vienna (MA 23). After evaluating the initial survey results, the authors of the study, Ann-Christine Schulz and Patrick Rupprecht, gave Austrian companies a good report card in terms of the balance between efficiency and innovation. In research, this is also referred to as organizational ambidexterity. The study also shows that established digital applications such as social media and cloud computing have also been adopted by domestic SMEs. However, the authors of the study still see a need to catch up when it comes to more complex digital technologies or digital corporate strategies. To close this gap, the practical study contains guidelines for anchoring digital skills and digitalization strategies as well as for “ambidextrous” management and development.

Open to digital technology – but often still lacking a digitalization strategy

In their practical study, researchers Ann-Christine Schulz and Patrick Rupprecht investigated how Austrian SMEs manage to achieve a balance between efficiency and innovation in the context of digital transformation. The results indicate that Austrian companies tend to focus on efficiency, but do not lose sight of the necessary digital innovation measures. Especially in dynamic industries that are characterized by intense competition or a wide variety of products, digital innovations are becoming increasingly important.

The study results also show that digitalization is primarily taking place in the areas of mobile technologies, social media and cloud computing. More complex applications such as artificial intelligence (AI), augmented reality and the Internet of Things (IoT) are currently only relevant in pilot projects. Even if domestic SMEs are highly open-minded and have a high affinity for digital topics while already using these technologies in practice, digitalization is only formally anchored in a few corporate strategies.

Digital transformation requires strategy and error culture

These results lead to concrete recommendations for action from the researchers at IDS:

- the anchoring of digital transformation in the corporate strategy
- a structural integration of ambidexterity in specific departments or positions
- an innovative corporate culture and continuous market observation
- testing and evaluating new digital applications within the company

These factors can also be confirmed by Martin Eicher. The Head of Marketing & Innovation at Ottakringer Brewery reported at a preliminary presentation of the study at FHWien der WKW that the study results coincide with his experiences from the innovation processes of the Viennese family brewery.

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Even if failure is difficult to accept in practice, disruptive innovations in particular require an open culture of error within the company. The lessons learned from mistakes can pave the way for innovations in the product range and positively influence the entire corporate culture.

The full study (in German) is available for free download as a PDF on the website of the research project “Organizational Ambidexterity in SMEs” funded by the City of Vienna (MA 23):

[Download the study “Organizational Ambidexterity in SMEs”](#)

Photo:

Ann-Christine Schulz and Patrick Rupprecht from FH Wien der WKW are researching how Austrian small and medium-sized enterprises (SMEs) can master the digital transformation.

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