I have always been intrigued that buzzwords like "digitisation", "digitalisation", and "digital transformation" are interchangeably used in the literature, blog posts, and social networks, whereas they have different meanings. The consequence is that their usage often leads to absurd formulations such as "digitisation of trade compliance". In the following article, extracted from some recent research activity in the Global Trade Compliance area, I try to clarify the right usage of these words. I hope our readers will enjoy it! Viv.

Very often in literature, the confusion is made between *digitisation*, *digitalisation*, and *digital transformation* (Bloomberg, 2018). According to Gartner's IT Glossary, digitisation is the process of changing from analogic to digital form, also known as digital enablement. Said another way, digitisation takes an analogic process and changes it to a digital form without any different-in-kind changes to the process itself.

Unlike digitisation, digitalisation does not have a single clear definition. Variants coexist whether one refers to *social life* – namely a way in which many domains of social life are restructured around digital communications and media infrastructures (Musik & Bogner, 2019), to *business models* – namely the use of digital technologies to change a business model and provide new revenues and value-producing opportunities (Gartner's IT Glossary (2019), or to *processes* – namely the action to automate information processes among employees internally so that the engagements between channel members and customers are as informed as possible (Crittenden et al. 2019), and more generally, to *the action to employ digital technologies and information to transform business operations* (Muro et al. 2017). Digitalisation, however, is quite distinct from digital transformation. An organisation might undertake a series of digitalisation projects, ranging from automating processes, reshaping its digital presence, to retraining workers to use computers. Digitalisation is commonly acknowledged as an opportunity to make productivity gains, to develop new business, or to improve current operations (Schwab, 2016). Digitalisation has an important impact on organisational performance (Guo et al. 2017), and it has significance as a source for value creation (Amit & Zott, 2001).

Digital transformation, in contrast, is not something that enterprises can implement as projects. Instead, Bloomberg (2018) defines the digital transformation as the customer-driven strategic business transformation that requires cross-cutting organisational change as well as the implementation of digital technologies. So, in summary, we digitise information, we digitalise processes and roles that make up

the operations of a business, and as a result, we digitally transform the business.

Rukanova et al. (2018), in the search for explanations and solutions for effective digitalisation, portrays the digital infrastructure development challenge as two-fold. One part of the challenge originates in the inertia of the installed base. The installed base refers to the pre-existing components of the digital infrastructure that constitute the starting point for any development attempt; these include existing work practices, human resources, standards, technological artefacts, and organisational commitments (Hanseth et al., 1996, Monteiro & Hanseth, 1996, Ciborra & Hanseth, 2000). Since in the development process it is rarely possible to redesign the digital infrastructure from scratch, development always '*wrestles with the inertia of the installed base and inherits strengths and limitations from that base*' (Ciborra & Hanseth, 2000 (p. 113). Inertia to change may come from technical elements, human habits and social norms that are resistant to transformation (Edwards et al. 2007) and this limits the direction of a development trajectory (Hanseth & Lyytinen, 2010, Henningsson & Hanseth, 2011, Henfridsson & Bygstad, 2013).

Digitalisation is key to an understanding of the business and industrial movements of the 21st century. The contention is that digitalisation will have a significant impact on both the structure and the operations of the business world, on the business models and on how companies cope with increasing competition, slimmer margins for productivity and profitability and more pronounced requirements for effective planning, problem-solving and decision making (Carlsson, 2017). The HBR report Competing in 2020 shows that Artificial Intelligence (AI) and machine learning appear as key interests and concerns among the business leaders; the formulation is that *future success will depend on the successful collaboration between human and machine intelligence*. The concern is that artificial intelligence and automation will eliminate jobs in some industries (financial services, professional / business services). Digitalisation is bringing big data/fast data which is claimed to make it impossible to use analytics as huge amounts of data make the algorithms impossible or impractical to use – or it will take too much time – as fast decision making in almost real-time is a necessity in the digital economy ("the fast eat the slow" as the slogan goes).

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About the Author

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