


Chapter 8

Strategies for Digital Transformation in Business: Digital Accounting Strategy

Fatmanur Deniz

 <https://orcid.org/0000-0002-4291-8026>

Nevşehir Hacı Bektaş Veli Üniversitesi, Turkey

ABSTRACT

Accounting is a discipline as old as human history, and with the last industrial revolution, it started to digitalize by taking a different dimension. It is important to know the ideas, the new order, and the new qualifications that employees should have, which are the basis of digital accounting, which has a quite new history in the world. In addition, mastering new developments and practices is important in order to continue the profession and apply it in its modern sense. This chapter was designed by author due to the lack of a comprehensive publication in the field of digital accounting and it is a fairly new concept. In this context, basic concepts were disclosed that subject and industrial revolutions. Later on, applications such as e-invoice, e-document, e-book, e-archive, which make up digital accounting by being separated from the traditional sense in the field of accountancy, are explained, and suggestions for the design new researches and diversification are presented.

INTRODUCTION

Businesses compete with their competitors by developing unique strategies in the sectors they operate. With the technological developments and digitalization experienced today, these strategies have started to differentiate. In this context, digital transformation in accounting, which is one of the basic functions of businesses, will be discussed and the subject will be explained in detail. Along with the information presented, an answer will be sought for the question of what digital strategies businesses should develop in the field of accounting.

In this section, the relationship between digital transformation and strategy will be explained through accounting, and the relationship between digital accounting and strategy will be explained. Therefore,

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it is important to explain the concept of strategy first. Grant (2008) stated that the concept of strategy is not only a detailed plan or programmed set of instructions, but an integrative main idea that guides the decisions and actions of individuals or organizations. According to another definition, the strategy includes the ways and methods to achieve corporate goals determined by the resources available and all managerial decisions taken towards them (Johnsen, 2016).

Humanity has made continuous progress in the historical process. Since the first primitive weapons made of stone and wood, people have been in technological development. The goods produced during these periods were first bartering with one another and in this way, it was subjected to commercial activities. At this point, it can be mentioned that the accounting discipline existed in primitive until the years when the barter economy was made. Accounting discipline has developed with humanity and technological developments. Many innovations, from the use of water and steam power in production to today's internet-based applications, have been used in accounting and there has been a parallel development. In addition to the efforts to bring it into a national and international order, it has been widely used in technology on accounting in time. Accounting, which was first used as a counting function in clearing transactions, later functioned as a systematic discipline in a certain order. With the development of technology and the use of it in the field of accounting, accounting processes have started to be made in electronic media. The concept of Industry 4.0, which was introduced in the recent past, has brought a separate point to the accounting studies and has turned to many different features by converting the accounting concept into a digital accounting concept. Accounting, where the bookkeeping period has been transferred to computers in the recent past, has become a very important function for businesses that directly affect the decision-making processes with Industry 4.0, shortly accounting has gone beyond the traditional understanding.

It is possible for businesses to determine effective strategies by following current developments and to make their activities continuous by providing a competitive advantage. For this reason, it is important for businesses to develop strategies and direct digital transformation using which innovations in the field of accounting in the digital transformation era. For this purpose, this book section has been designed. As the scope of the section, industrial revolutions are presented in order to understand the digitalization and transformation process. In light of this information, information was given about digital transformation and its applications in the field of accounting. Finally, information about how businesses can produce strategies using this information is given.

Within the scope of this study, the concept of digital accounting, which is quite new, has been handled, explained in detail, and supported with current application examples. Before addressing the concept of digital accounting and developments, the explanation of the conditions and concepts such as accounting, digitalization, industrial revolutions, recent industrial revolutions, and their effects on accounting is important for understanding the subject. In this regard, the basic concepts of the study were explained first.

BACKGROUND

The concept of digital accounting is quite new. For this reason, the number of studies in the literature is very few. If limited literature is mentioned, the book by Deshmukh (2006) is an important resource. Additionally, Amidu et al. (2011), Güney (2014), Gan et al. (2017), and Relhan (2013) are the most cited e-accounting (digital accounting) articles. On the other hand, in order to have full knowledge of digital accounting, it is necessary to know about the recent industrial revolution. In this context, the

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