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FINANCIAL MANAGEMENT STRATEGIES IN THE ERA OF DIGITAL TRANSFORMATION

STRATEGI MANAJEMEN KEUANGAN DI ERA TRANSFORMASI DIGITAL

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ABSTRACT
Digital transformation (DT) has had a significant impact on financial management, but its specific influence on the cost of capital and corporate financing structures is still poorly understood. This research aims to identify how DT influences capital costs and changes in financing structures across industries. Using approach *Systematic Literature Review* (SLR) based on PRISMA guidelines, this research finds that DT can reduce the cost of capital through increased efficiency and transparency, as well as lead to a shift in financing preferences with the adoption of technologies such as fintech and blockchain. The implications of this research provide insight for financial managers, investors and policy makers to formulate strategies that support technology adoption in corporate financing.
Keywords: Digital transformation, cost of capital, financing structure, fintech, blockchain, systematic literature review

ABSTRAK
Transformasi digital (TD) telah membawa dampak signifikan terhadap manajemen keuangan, namun pengaruh spesifiknya terhadap cost of capital dan struktur pembiayaan perusahaan masih kurang dipahami. Penelitian ini bertujuan untuk mengidentifikasi bagaimana TD mempengaruhi biaya modal dan perubahan struktur pembiayaan lintas industri. Menggunakan pendekatan Systematic Literature Review (SLR) berdasarkan panduan PRISMA, penelitian ini menemukan bahwa TD dapat mengurangi biaya modal melalui peningkatan efisiensi dan transparansi, serta mengarah pada pergeseran preferensi pembiayaan dengan adopsi teknologi seperti fintech dan blockchain. Implikasi penelitian ini memberikan wawasan bagi manajer keuangan, investor, dan pembuat kebijakan untuk merumuskan strategi yang mendukung adopsi teknologi dalam pembiayaan perusahaan.
Kata kunci: Transformasi digital, biaya modal, struktur pembiayaan, fintech, blockchain, systematic literature review

1. INTRODUCTION

In the era of digital transformation, financial management is becoming increasingly complex and requires adaptive and innovative strategies. Digital transformation not only affects the way organizations operate, but also influences the financial strategies implemented by various sectors, including governments and financial institutions. One strategy that can be implemented is the preparation of a clear digital transformation road map. According to Manik, the Ministry of Finance has implemented three main strategies in digital transformation, namely preparing a road map, building a data culture, and developing Enterprise Architecture. (Manik, 2024). This shows that careful planning and the development of strong digital infrastructure are very important for the success of financial transformation in the digital era.

In addition, the importance of collaboration between stakeholders is also emphasized in research by Pangandaheng et al., which states that commitment from all stakeholders and a leadership role are very necessary in creating public values through digital transformation. (Pangandaheng et al., 2022). In this context, developing knowledge about digital transformation project management becomes crucial to ensure that every step taken is relevant to the organization's capabilities. On the other hand, the challenges faced in financial

management in the digital era must also be considered. Susanti identified that Islamic banking faces new challenges in adopting digital technology, but also finds opportunities for sustainable growth (Susanti, 2024). This shows that despite the challenges, digital transformation can pave the way for greater innovation and efficiency in financial management.

Furthermore, digital literacy also plays an important role in supporting digital transformation in the financial sector. Firmansyah et al. emphasized that digital literacy can predict the success of digital transformation, especially in micro and small businesses (Firmansyah et al., 2022). Therefore, increasing digital understanding and skills among employees and managers is a strategic step that should not be ignored. Overall, financial management strategies in the era of digital transformation must include careful planning, strong collaboration between stakeholders, and increased digital literacy. With this comprehensive approach, organizations can be better prepared to face the challenges and take advantage of the opportunities offered by digital transformation.

Although the literature on digital transformation (DT) and financial management has grown, there is a significant research gap regarding the specific influence of DT on a company's cost of capital and financing structure. Most existing studies focus more on the general benefits of DT, without exploring in depth the relationship between DT and financial variables such as cost of capital. Additionally, the impact of DT is not uniform across all industries. Technology-based industries tend to adopt DT more quickly than traditional sectors such as manufacturing or agriculture. However, research explicitly identifying these differences in impact is limited. Furthermore, many studies only view DT as a technological tool without exploring its strategic implications for corporate financing. Therefore, this research aims to answer the critical question: how does DT not only function as an efficiency catalyst, but also as a fundamental changer in a company's financial strategy?

This research has two main objectives. First, understand the influence of digital transformation on the cost of capital. In this regard, the research aims to identify specific mechanisms by which digital transformation can reduce capital costs through increased operational efficiency, transparency and better risk management. In addition, this research will also explore the impact of digital transformation on reducing risk premiums, especially in companies that rely heavily on debt or equity-based financing. Second, this research aims to identify changes in financing structures triggered by digital transformation. The research will examine how companies are starting to adopt new sources of financing, such as fintech lending, asset tokenization, or crowdfunding, as part of their financial strategy. The research will also observe shifts in financing preferences that occur based on the industrial sector, company scale, and the level of digital technology adoption carried out by these companies.

Based on the research objectives, firstThe main questions proposed include several critical aspects regarding the relationship between digital transformation (DT) and corporate financial strategy. First, how does digital transformation affect the cost of capital across industries? This includes identifying specific mechanisms that influence the cost of capital in the context of digital technology adoption. Second, are there different patterns of change in the cost of capital based on the industrial sector? Furthermore, this research also explores the factors that drive changes in financing structures in the era of digital transformation. Further questions involve how technologies such as blockchain, artificial intelligence (AI), and fintech play a role in changing corporate preferences for financing sources. Finally, the research will assess whether these changes have had a more significant impact in certain industries than others. By answering these questions, the research aims to provide insights that are not only academically relevant but also practical for companies. It is hoped that the research results can help organizations in designing effective and adaptive financial strategies amidst the dynamics of the digital era.

2. METHODS

2.1 Study Design

This research approach uses the method and Systematic Literature Review (SLR), which is based on the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses). PRISMA is a framework designed to ensure transparency, consistency, and rigor in the conduct of systematic literature reviews. This approach allows researchers to identify, evaluate, and synthesize results from various studies related to digital transformation (DT), cost of capital, and financing structure.

2.2 Data Sources

A literature search was carried out using several trusted academic databases, including:

- Scopus: To obtain journal articles with high impact and global relevance.
- Web of Science: To cover various scientific disciplines with multidisciplinary coverage.
- IEEE Xplore: For technical literature relevant to digital transformation.
- Google Scholar: To complete the search with other articles that may have been missed in the main database.

Keywords Which used includes combinations of the following terms with Boolean operators:

- "digital transformation" AND "cost of capital"
- "digital transformation" AND "financing structures"
- "industries" AND "corporate finance"

This search strategy was designed to ensure broad and comprehensive coverage of the research topic.

2.3 Inclusion and Exclusion Criteria

Inclusion criteria:

1. Journal article peer-reviewed that meets academic quality standards.
2. Studies that explicitly discuss the influence of DT on the cost of capital or financing structure.
3. Publication over time lasts 10 years (2014–2024), to ensure contemporary relevance.

Exclusion criteria:

1. Non-peer-reviewed articles, including opinion pieces, commentaries, or editorials.
2. Studies that only discuss the technological aspects of DT without touching on the financial implications.
3. Literature in a language other than English, unless it has a valid translation.

2.4 Data Extraction and Analysis

2.4.1. Data extraction process

InThe main formations of relevant articles will be identified and documented, including:

- Research purposes: Focus on the relationship between DT and cost of capital and financing structures.
- Research methods: Study design and analytical approach used.
- Main results: Key findings related to research variables.
- Relevance: Suitability article with research questions and study objectives.

2.4.2. Data analysis

This research will use **th**ematic analysis to identify key patterns and themes in the literature. This analysis includes:

- Identify relationships: Between DT, cost of capital, and financing structure.
- Cross-industry patterns: Discover variations in the impact of DT on different sectors.
- Academic contributions: Synthesis of findings to provide new insights that have not been revealed before.

2.5 PRISMA Flow Diagram

The PRISMA diagram will be used to provide a visualization of the article selection flow, which includes:

1. Initial search: The number of articles generated from the database based on keywords.
2. Initial screening: Articles were removed due to duplication or not meeting inclusion criteria.
3. Eligibility check: Articles reviewed were based on abstract and full text.
4. Analyzed articles: Day Is the end of the article included in the study.

This diagram will ensure that the article selection process takes place in a systematic, structured and verifiable manner.

3. RESULTS

3.1 Descriptive Statistics

This research involved a number of studies selected based on inclusion and exclusion criteria. The following is a summary of descriptive statistics from the studies analyzed:

- Number of studies included: Total 38 peer-reviewed articles.
- Distribution by year: The majority of publications are from 2018 onwards, reflecting increased academic attention to digital transformation in the last five years.
- Geographic location: Studies come from various global regions, with the majority of research focusing on North America, Europe, and East Asia, which are centers of digital technology adoption.
- Distribution by industry: The study covers technology, manufacturing, financial services and traditional sectors such as agriculture. The technology industry dominates, while traditional sectors are relatively underrepresented.

3.2 Key Themes Identified

3.2.1. The effect of digital transformation on reducing capital costs through increasing operational efficiency.

Digital transformation significantly impacts the cost of capital by enhancing operational efficiency through the adoption of advanced technologies such as artificial intelligence (AI), big data, and automation. These technologies play a crucial role in reducing business process inefficiencies, which directly contributes to lowering operational risks. For instance, the integration of AI and big data analytics can optimize energy and operational efficiency, automate monitoring and control, and facilitate quicker decision-making, all of which contribute to minimizing risks associated with business operations (Himeur et al., 2022; Dhamija & Bag, 2020). By streamlining processes and reducing inefficiencies, companies can lower their operational costs, which in turn can lead to a decrease in the overall cost of capital.

Moreover, the reduction in operational risk is pivotal in determining the cost of capital. When companies effectively manage risks through improved operational practices, they can lower the risk premiums that investors demand. This is supported by findings that indicate enhanced financial transparency, resulting from better information disclosure and operational efficiency, leads to increased investor confidence (ATASEL et al., 2020; Yoro, 2024). As firms become more transparent and demonstrate lower operational risks, they can negotiate better terms with investors, thereby reducing the cost of equity. The relationship between operational efficiency and financial performance is well-documented, indicating that firms that embrace

digital transformation can experience improved financial metrics, including a reduced cost of capital (ATASEL et al., 2020).

Furthermore, the role of AI in financial risk management cannot be understated. AI technologies facilitate the processing of large volumes of financial data, enabling firms to identify complex dependencies and forecast trends more accurately (Zianko, 2023; Zhao, 2022). This capability not only enhances decision-making but also contributes to more effective risk management strategies, ultimately leading to a reduction in the cost of capital. By leveraging AI for predictive analytics, organizations can better anticipate market fluctuations and adjust their financial strategies accordingly, which further stabilizes their capital costs (Zhao, 2022). In summary, the impact of digital transformation on reducing the cost of capital is multifaceted, involving the reduction of business process inefficiencies, lowering operational risks, and enhancing financial transparency. These elements collectively contribute to a more favorable investment environment, characterized by lower risk premiums and reduced costs of equity.

3.2.2. Changes in financing structures in the digital era.

The evolution of corporate financing preferences has been significantly influenced by technological advancements and the digital transformation of financial services. A notable trend is the shift from debt-based financing to equity-based financing. Companies are increasingly favoring equity financing as it allows them to maintain financial flexibility in a rapidly changing digital environment. This shift is supported by research indicating that equity financing, which typically has a higher risk tolerance, positively impacts innovation and corporate growth compared to debt financing, which can impose stricter repayment obligations and financial constraints (Zhang et al., 2019). Furthermore, the development of digital finance has been shown to alleviate financing constraints, enabling firms to access equity financing more readily (Liu, 2022; , Wang, 2023).

In addition to the shift towards equity financing, there is a growing trend in the utilization of alternative financing platforms such as crowdfunding, fintech lending, and asset tokenization. These platforms provide diversified funding sources that can enhance corporate financial resilience. For instance, studies have demonstrated that digital financial inclusion significantly eases financing constraints for small and medium-sized enterprises (SMEs), allowing them to tap into alternative funding sources that were previously inaccessible (Li et al., 2022). The rapid growth of fintech solutions has also been linked to increased corporate innovation, as these technologies streamline the financing process and reduce costs associated with traditional lending (Huang, 2021). Moreover, the rise of crowdfunding has emerged as a viable alternative for companies seeking to raise capital without the burdens of traditional debt financing (Khan, 2022).

The integration of digital finance into corporate financing strategies not only reflects a shift in preference but also highlights the importance of adaptability in the face of technological change. Companies that leverage these new financing avenues can better navigate the complexities of modern markets, thus fostering innovation and enhancing their competitive edge. The empirical evidence suggests that the adoption of digital financial tools and alternative financing mechanisms is crucial for firms aiming to thrive in an increasingly digital economy (Kan & Sun, 2022; , Yuan et al., 2021). In conclusion, the interplay between technology adoption and corporate financing preferences underscores a significant transformation in how companies approach funding. The movement towards equity financing and the embrace of alternative financing platforms are indicative of a broader trend towards financial flexibility and innovation in the corporate sector.

3.2.3. Differences in impact across industries.

The impact of digital transformation (DT) varies significantly across different sectors, influenced by their unique characteristics and challenges. In the technology industry, the

adoption of digital transformation is notably rapid, leading to substantial improvements in operational efficiency and reductions in the cost of capital. This sector's inherent agility and focus on innovation facilitate a smoother transition to digital practices, allowing companies to leverage advanced technologies effectively (William, 2023). For instance, cloud computing has been identified as a critical enabler of digital transformation, fostering collaboration and driving cost efficiencies across various sectors, including technology (William, 2023).

Conversely, traditional manufacturing industries face considerable hurdles in integrating digital technologies. The transition from conventional practices to digital processes is often met with resistance due to established norms and the complexity of existing systems. Research indicates that while some manufacturing enterprises are developing digital capabilities, the overall impact of digital transformation remains limited compared to more agile sectors (Kupriyanova, 2023). The challenges include not only technological barriers but also organizational inertia, which can impede the adoption of innovative practices essential for competitive advantage in the digital age.

In the financial services sector, digital transformation is reshaping business models, particularly through the emergence of digital banking and insurance tech. This sector has been proactive in utilizing digital technologies to enhance customer experiences and streamline operations. Studies have shown that the integration of digital tools in financial services leads to the creation of more efficient business models, which are crucial for meeting evolving consumer demands and navigating competitive pressures (Rha & Lee, 2022; , Kherbachi, 2023). The COVID-19 pandemic has further accelerated this trend, pushing financial institutions to adopt digital solutions more aggressively to maintain service continuity and customer engagement (Agostino et al., 2020).

In summary, while the technology sector embraces digital transformation with relative ease, traditional manufacturing struggles with integration challenges, and the financial services sector leverages digital tools to innovate and improve efficiency. Each sector's unique context shapes its approach to digital transformation, highlighting the need for tailored strategies that consider specific operational realities and market dynamics.

3.2.4. Driving factors (drivers) in changes in financial strategy.

The cost of capital and financing structures are undergoing significant transformations due to several key factors, including big data analytics, fintech innovations, and blockchain technology. These elements are reshaping how companies assess financial risk, access funding, and conduct transactions.

Big data analytics plays a crucial role in enhancing companies' ability to measure financial risk with greater accuracy. By leveraging vast amounts of data, organizations can identify patterns and trends that inform their risk assessments and decision-making processes. This capability is particularly vital in the context of financial sustainability, where companies must navigate complex market dynamics and regulatory environments. As noted by Qin, the integration of big data analytics with fintech solutions allows for more precise evaluations of financial health, ultimately leading to better-informed financing decisions and improved cost management (Qin, 2023).

Fintech innovations are expanding access to non-conventional financing sources, significantly altering the financing landscape. These innovations include peer-to-peer lending, crowdfunding, and mobile payment systems, which provide alternative avenues for capital that were previously inaccessible to many businesses, particularly small and micro enterprises. Chen emphasizes that fintech innovations facilitate financing for small businesses by overcoming traditional barriers such as stringent credit evaluations and high transaction costs (Chen, 2024). Furthermore, the growth of fintech has been shown to correlate positively with economic growth, as highlighted in the study by the Journal of Economics Finance and

Management Studies, which indicates that conventional fintech significantly impacts economic development ("Growth of Islamic Fintech in Indonesia", 2024).

Blockchain technology is another critical driver of change in financial transactions, providing enhanced transparency that reduces risk and lowers the cost of capital. Blockchain's decentralized nature allows for secure and immutable transaction records, which can mitigate issues related to fraud and information asymmetry. This transparency is particularly beneficial in sectors like Islamic finance, where ethical considerations and compliance with Sharia law are paramount. The integration of blockchain within fintech frameworks can streamline processes and foster trust among stakeholders, as discussed in the research on the impact of blockchain technology on the Islamic financial system (T, 2024). Moreover, the application of blockchain in financial services is expected to lead to significant cost reductions and efficiency improvements across various sectors, as noted by Battisti et al. (Battisti et al., 2023). In summary, the interplay of big data analytics, fintech innovations, and blockchain technology is fundamentally reshaping the cost of capital and financing structures. These advancements not only enhance risk measurement and broaden access to financing but also promote transparency and efficiency in financial transactions. As these technologies continue to evolve, they will likely play an increasingly pivotal role in the financial landscape.

These results provide a holistic view of how digital transformation is not only a catalyst for efficiency but also changes the fundamentals of a company's financial strategy.

4. DISCUSSIONS

4.1 Interpretation of Results

Digital transformation (DT) has emerged as a significant factor influencing the cost of capital and financing structures across various industries. The integration of digital technologies enhances operational efficiency, reduces financial risks, and improves transparency, which collectively contribute to a decrease in risk premiums. This aligns with findings that suggest DT can disrupt traditional financial theories, such as the Modigliani-Miller (M&M) Theorem, which posits that capital structure is invariant under certain conditions. The introduction of DT as a variable challenges this assumption by demonstrating that it can influence financing preferences and capital structure decisions (Avira et al., 2023; , Zhang, 2023).

Moreover, classical finance theory traditionally views market and operational risks as exogenous factors. However, DT provides organizations with tools to proactively manage these risks, thereby altering the established relationship between risk and cost of capital. This necessitates the incorporation of digital factors into existing financial models to accurately reflect the evolving landscape of financial management (Qu, 2023; , Cao, 2023). The ability of DT to facilitate risk management and improve financial decision-making underscores the importance of adapting financial theories to account for technological advancements (Avira et al., 2023; , Zhang, 2023).

The impact of DT is particularly pronounced in sectors that are more digitally mature, such as technology and finance, which exhibit a faster adoption of fintech solutions compared to traditional industries. This disparity highlights the varying levels of digital readiness across sectors and suggests that organizations with higher digital maturity are better positioned to leverage DT for competitive advantage (Azieva, 2021; , Sánchez & Zuntini, 2018). For instance, the financial sector's rapid embrace of digital tools has transformed traditional financing structures, enabling more efficient capital allocation and risk assessment processes (Avira et al., 2023; , Qu, 2023).

In conclusion, the findings indicate that digital transformation significantly influences the cost of capital and financing structures, challenging traditional financial theories and necessitating a reevaluation of risk management practices. The varying degrees of digital readiness across industries further emphasize the need for tailored approaches to integrate

digital factors into financial models, ensuring that organizations can effectively navigate the complexities of the digital economy (Azieva, 2021; , Sánchez & Zuntini, 2018).

4.2 Implications for Theory and Practice

4.2.1. Theoretical implications

The results of this research highlight the need to refine classical financial models, such as the Capital Asset Pricing Model (CAPM), to include factors related to digital transformation (DT). In this context, companies that are able to leverage advanced technologies, such as big data and artificial intelligence (AI), in managing risk and making financial decisions may experience significant changes in their cost of capital and financing structures. Therefore, there is a need to develop a new, more comprehensive framework, which not only accommodates changes in financing structures and capital preferences, but also includes the specific impacts that DT adoption has on various industry sectors. Thus, refining financial models and developing new frameworks is critical to understanding financial dynamics in the digital era.

4.2.2. Practical implications

For financial managers, companies need to consider adopting technologies such as blockchain and fintech to increase flexibility in accessing capital. This technology can not only speed up the financing process, but also reduce the associated costs, allowing companies to obtain financial resources more efficiently and cheaply. For investors, risk and return assessments should include digital transformation (DT) variables, because companies that lead in digital transformation tend to have lower risk premiums. This is due to the company's ability to manage risk more effectively through the use of advanced technology, which in turn can increase long-term stability and profitability. For regulators, increasing understanding of how technology influences financing decisions is critical in creating policies that support the accessibility of technology-based capital. Policies that support the adoption of technology such as fintech can accelerate financial inclusion and create a fairer ecosystem for companies of various sizes and sectors.

4.3 Cross-Industry Comparisons

The impact of digital transformation (DT) on the cost of capital and financing structure varies significantly across industries, with technology and financial services sectors showing greater responsiveness compared to traditional sectors like manufacturing and agriculture. This variation can be attributed to several contextual factors, including digital readiness, operational complexity, and industry regulation.

Digital readiness is a crucial factor influencing how industries adopt and benefit from DT. Technology-based industries typically possess more mature digital infrastructures, which facilitate faster and more effective adoption of digital technologies. For instance, Pirola et al. highlight that companies with advanced digital readiness can leverage data and predictive technologies to enhance their operational efficiencies and service offerings, thereby positively impacting their financial performance (Pirola et al., 2019). Similarly, Thottoli emphasizes that the financial services sector has been significantly transformed through the application of current technologies, which has led to improved operational efficiency (Thottoli, 2023). This readiness allows these sectors to adapt quickly to technological changes, resulting in a more favorable cost of capital.

Operational complexity also plays a significant role in determining the benefits derived from DT. Industries with intricate business processes, such as financial services, tend to gain more from the automation and efficiencies that DT offers. As noted by Chen, the integration of fintech innovations has led to the emergence of novel business models and processes that enhance operational efficiency within the financial sector (Chen, 2024). This complexity necessitates a robust digital framework to manage and optimize operations effectively, which is

often lacking in more traditional sectors like agriculture and manufacturing, where processes may be less complex and more rigid (Moşteanu & Fathi, 2020).

Furthermore, industry regulation significantly influences the impact of DT on financing structures. Highly regulated industries, such as financial services, experience substantial changes as technology enables more efficient compliance mechanisms. According to Loginov et al., the digitalization of the financial sector has led to a comparative analysis of digital financial services, highlighting the risks and opportunities that arise from such transformations (Loginov et al., 2021). This regulatory landscape compels financial institutions to adopt digital solutions that enhance compliance and improve their overall financing structures by reducing costs associated with regulatory adherence.

In conclusion, the differential impact of digital transformation across industries can be attributed to varying levels of digital readiness, operational complexity, and regulatory frameworks. Technology and financial services sectors, characterized by advanced digital infrastructures and complex operational needs, are better positioned to leverage the benefits of DT, leading to improved cost of capital and financing structures compared to traditional sectors.

4.4 Limitations and Future Research

4.4.1. Research limitations

This Systematic Literature Review (SLR) is mainly based on the literature available in the last 10 years. Therefore, the resulting findings may not fully reflect current developments in the field of digital transformation (DT), considering the speed of technology adoption and changes occurring in the industrial sector. Additionally, most of the studies analyzed in this review used a qualitative approach, which may limit the ability to make broader generalizations across industries. Therefore, the interpretation and conclusions drawn from these SLR results require caution, especially in the context of cross-sector applications, as each industry may experience the impact of DT in different ways.

4.4.2. Recommendations for future research

Quantitative studies that explore the causal relationship between digital transformation (DT) and the cost of capital in various sectors can provide deeper insights into the concrete and measurable impact of DT on the cost of capital. This research will make it possible to identify clearer relationship patterns and measure the magnitude of the effect of technology adoption on reducing the cost of capital in each sector. Additionally, cross-cultural research is essential to understand how geographic context influences DT adoption and its impact on financing structures. Cultural variations and regulatory policies in different countries can influence how companies implement technology and how this impacts their financing decisions. Longitudinal analyzes are also needed to evaluate the long-term impact of DT on a company's financial strategy. This study will allow researchers to see changes that occur over time, providing a more complete picture of how digital transformation can impact the cost of capital and financing structures in the long term. By taking into account the limitations and opportunities of this research, the future study of DT and financial management can open new insights that are academically and practically relevant, enrich our understanding of financial dynamics in the digital era and help companies, investors and regulators to adapt to emerging technological developments. keeps changing.

5. CONCLUSIONS

5.1 Key Findings

This research finds that digital transformation (DT) significantly influences the cost of capital and company financing structure. DT contributes to reducing the cost of capital through increased efficiency, transparency and better risk management, especially in sectors that have

adopted technologies such as blockchain and fintech. In addition, it was found that there was a shift in financing preferences, from debt to equity-based financing, as well as an increase in the use of alternative financing such as crowdfunding and asset tokenization. The impact of DT varies across industries, with technology sectors showing more rapid change than traditional sectors such as manufacturing.

5.2 Contribution to Literature

This research makes important contributions to the literature in several ways. First, this research highlights the specific influence of digital transformation (DT) on the cost of capital, a topic previously rarely discussed in finance research. Many previous studies focused more on the general impact of technology on operational efficiency, without paying attention to its direct impact on capital costs which are a crucial aspect in financial decision making. Second, this research fills a gap in the literature regarding variations in the impact of DT across industries, highlighting the importance of a contextual approach in understanding how financial strategies in the digital era may vary depending on industry sector. These variations reveal that there is no one-size-fits-all approach to all industries, and each sector needs to consider its specific context in designing their financial strategy. Third, this research introduces a new perspective that DT is not only an operational tool for efficiency and innovation, but also a fundamental changer in the financing structure and financial strategy of companies. This shows that the adoption of digital technology can overhaul existing financing structures, change company capital preferences, and create new opportunities in risk management and capital accessibility. This contribution provides broader and deeper insight into the relationship between digital transformation and financial management, which is highly relevant for companies, academics and policy makers in the digital era.

5.3 Practical Takeaways

The results of this research provide invaluable strategic guidance for practitioners in a variety of industries. Untuk Finance Manager, this research encourages them to integrate digital technology in pe financial management company. This can help reduce risk premiums, increase operational efficiency, and create a competitive advantage in an increasingly digitized market. The adoption of technologies such as blockchain, fintech, and big data allows companies to be more responsive to market dynamics and mitigate risks more effectively.

For investors, the findings of this study indicate that companies that actively adopt digital transformation (DT) tend to have lower costs of capital and greater financing flexibility. Therefore, investors need to prioritize investing in companies that are at the forefront of DT implementation, as they are better prepared to face market changes and are more efficient in managing financial risks.

For regulators and policy makers, this research suggests the importance of designing policies that support the adoption of digital technology in corporate financing. This includes the development of stronger fintech infrastructure and more inclusive regulations that facilitate innovation in the financial sector. Policies supporting DT adoption can help companies gain broader access to various sources of financing, both from the capital market and alternatives such as crowdfunding and peer-to-peer lending, thereby strengthening the economy as a whole. Overall, this research provides useful insights for stakeholders in designing more adaptive and sustainable strategies in the era of digital transformation.

5.4 Future Directions

This research paves the way for further studies that can provide a deeper understanding of the relationship between digital transformation (DT) and financial management. One very relevant research direction is empirical research which is based on quantitative data. Such studies can measure the specific impact of DT on the cost of capital in

various industrial sectors and different geographical locations. By using broader data and appropriate statistical analysis methods, this research can confirm existing theory-findings and provide a more accurate picture of the causal relationship between DT and a firm's cost of capital.

Besides that, specific industry analysis also offers opportunities for in-depth research in specific sectors. Each industry has unique characteristics and challenges in adopting DT, so it is important to identify the dynamics that influence the financing structure within these industries. This research can help understand how companies in the technology, manufacturing, or financial services sectors, for example, manage risk and choose different financing strategies based on the level of technology adoption.

Finally, evaluation of new technology is also an interesting area for further study. New technologies such as artificial intelligence (AI), Internet of Things (IoT), and blockchain technology carry the potential to revolutionize corporate financing structures. Further research into how these technologies play a role in corporate financing and changing the way companies manage capital can provide crucial insights in designing more efficient and sustainable financial strategies in the digital era.

With deeper exploration, further research could provide significant contributions to the academic literature as well as practical relevance for financial managers, investors, and policymakers in optimizing their financial strategies amidst the ever-growing digital transformation.

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