

ABSTRACT

The cloud business and B2B IT service markets in Indonesia are projected to experience substantial growth. The country is emerging as one of the fastest-growing public cloud markets in the Asia-Pacific region. This growth presents not only vast opportunities but also an increasingly competitive landscape. To support its vision of becoming the Preferred Digital Transformation Partner, Telkomsigma must enhance its competitive advantage. One strategic initiative to achieve this is by improving its procurement processes, aiming to deliver high-quality goods and/or services at competitive prices. Nevertheless, in practical implementation, the procurement process continues to encounter a range of challenges.

This study aims to examine the influence of digital transformation on procurement processes in the pursuit of competitive advantage. Additionally, it takes into account the roles of multiple suppliers, digital capabilities, and market turbulence as contributing factors in shaping competitive advantage.

The data in this study were collected through an online questionnaire distributed to 32 employees directly involved in the procurement process at Telkomsigma. A quantitative research approach was employed. The collected data were analyzed using an explanatory analysis method to examine the relationships among variables. Hypothesis testing was conducted using Structural Equation Modeling (SEM) based on Partial Least Squares (PLS).

The results show that digital transformation has a positive effect on procurement, procurement has a positive effect on competitive advantage, and procurement plays a significant mediating role between digital transformation and competitive advantage. In addition, multi-supplier strategies positively influence digital capabilities, and market turbulence positively affects competitive advantage. However, digital transformation, multi-supplier strategies, and digital capabilities do not have a significant direct effect on competitive advantage. Lastly, digital capability does not have a significant mediating role between multi-supplier strategies and competitive advantage.

This study contributes to the procurement literature by highlighting the implementation of digital transformation and multi-supplier approaches to enhance competitive advantage in highly turbulent markets. It also provides recommendations for advancing digitalization and strengthening digital capabilities in procurement processes, building strategic partnerships with suppliers, and optimizing the role of procurement functions.

Keywords: Digital Transformation, Competitive Advantages, Procurement, Multi-supplier, Market Turbulence, Digital Capabilities