

The New Strategic Era: Competitive Readiness in Digital, Ecosystem-Based Economies

Mălina DĂRJA¹ ORCID ID: [0000-0001-9375-647X](https://orcid.org/0000-0001-9375-647X)

Abstract *This paper investigates the transformation of competitive strategy in what is defined as the new strategic era, characterized by persistent technological disruption, ecosystem-based competition, and increasing environmental complexity. The objective of the study is to identify the core strategic capabilities required for organizational competitiveness under these conditions. Using a conceptual research methodology grounded in an extensive review of the strategic management, digital transformation, and ecosystem strategy literature, the paper develops an integrative framework of competitive readiness. The findings suggest that sustainable competitiveness increasingly depends on the interaction between digital capability, strategic agility, ecosystem positioning, and human capital maturity. The paper contributes to the strategic management literature by synthesizing fragmented research streams into a unified conceptual model and by highlighting strategic implications for managers operating in volatile and non-linear environments.*

Keywords: strategic management; digital transformation; ecosystems; competitive advantage; dynamic capabilities

JEL Classification: L10, L20, M10, O33

1. Introduction

Over the past two decades, the competitive environment faced by organizations has undergone a profound transformation. Traditional strategy frameworks were developed under assumptions of relatively stable industry boundaries, predictable competitive dynamics, and incremental technological change. These assumptions are increasingly invalid in contemporary markets characterized by rapid digitalization, cross-industry convergence, geopolitical uncertainty, and heightened environmental turbulence.

Recent research suggests that competition is shifting from firm-versus-firm rivalry toward competition between ecosystems of interdependent actors (Adner, 2017). At the same time, technological disruption has become a structural condition rather than a temporary shock (Bharadwaj et al., 2013). As a result, organizations must continuously adapt their strategies, structures, and capabilities in order to remain competitive.

The objective of this paper is to examine the defining characteristics of the new strategic era and to identify the strategic capabilities that underpin organizational competitiveness. The paper

¹ Phd. Lecturer, “1 Decembrie 1918” University of Alba Iulia, e-mail: malina.darja@uab.ro
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addresses the following research question: *What combination of strategic capabilities enables organizations to sustain competitiveness in digitally driven, ecosystem-based environments?* To answer this question, the study develops a conceptual framework of competitive readiness based on a synthesis of established and emerging research streams.

2. Literature Review

2.1. The New Strategic Environment

The strategic management literature increasingly converges on the view that contemporary competitive environments are characterized by heightened complexity, non-linearity, and fundamental unpredictability (Eisenhardt & Martin, 2000; McGrath, 2013). These conditions have traditionally been conceptualized through the VUCA framework, which describes environments marked by volatility, uncertainty, complexity, and ambiguity (Bennett & Lemoine, 2014). While VUCA provides a useful structural diagnosis of environmental turbulence, recent scholarship argues that it inadequately captures the systemic fragility, cognitive overload, and affective strain experienced by organizations and decision-makers operating in such contexts. In response, the BANI framework has been advanced as a complementary analytical lens, emphasizing brittleness, anxiety, nonlinearity, and incomprehensibility, thereby foregrounding the susceptibility of tightly coupled systems to abrupt failure, the disproportionate amplification of causal effects, and the erosion of coherent managerial sense-making under conditions of extreme uncertainty (Cascio, 2020). Together, these VUCA–BANI conditions challenge the core assumptions of stability, linear causality, and forecastability that underpin traditional planning-based and positioning-oriented approaches to strategy (Mintzberg, 1994; Porter, 1996).

Concurrently, industry boundaries are becoming increasingly permeable as digital technologies enable convergence across sectors and blur distinctions between products, services, and platforms (Yoffie, Gawer, & Cusumano, 2019). Firms now compete within interdependent ecosystems rather than clearly delineated industries, where value creation and appropriation emerge from complex interactions among multiple actors, including complementors, platform leaders, and users (Jacobides, Cennamo, & Gawer, 2018). Under such conditions, competitive advantage is less a function of static resource endowments and more dependent on the ability to continuously reconfigure capabilities, balance exploitation and exploration, and enact strategy through situated managerial practices.

Accordingly, these environmental dynamics have prompted a growing shift in strategic management research toward theoretical perspectives that emphasize dynamic capabilities (Teece,

Pisano, & Shuen, 1997; Teece, 2007), organizational ambidexterity (March, 1991; O'Reilly & Tushman, 2013), and strategy-as-practice (Whittington, 2006), which collectively foreground adaptability, learning, and micro-level action as central mechanisms for strategic effectiveness in volatile and fragile environments.

2.2. Digital Transformation and Competitive Advantage

Digital transformation has emerged as a key driver of organizational performance and strategic renewal. According to Bharadwaj et al. (2013), digital business strategy entails the integration of IT and business strategy, fundamentally reshaping value creation and capture mechanisms. More recent studies suggest that digital technologies are no longer merely a source of competitive advantage but have become a necessary condition for maintaining competitiveness in dynamic markets (Vial, 2019).

Technologies such as artificial intelligence (AI) and advanced analytics enable organizations to make data-driven decisions and respond rapidly to environmental changes. However, research shows that fully automated systems often underperform in complex, uncertain contexts, where human judgment remains indispensable (Raisch & Krakowski, 2021). This insight underscores that digital capability should be conceptualized as a socio-technical construct, encompassing technological infrastructure, organizational processes, human skills, and governance mechanisms. When deployed effectively, digital transformation enhances an organization's ability to sense emerging opportunities, seize strategic options, and reconfigure resources—directly linking to the development of dynamic capabilities and reinforcing resilience and agility in VUCA–BANI environments.

By integrating digital transformation with adaptive strategic processes, firms can navigate environmental turbulence more effectively, leveraging technology not just as a tool but as an enabler of strategic flexibility, innovation, and sustained competitive advantage.

2.3. Dynamic Capabilities and Organizational Ambidexterity

The dynamic capabilities framework provides a robust lens for understanding how firms adapt strategically in turbulent and complex environments. According to Teece, Pisano, and Shuen (1997), dynamic capabilities refer to a firm's ability to integrate, build, and reconfigure internal and external competencies in response to environmental change. These capabilities enable organizations to sense emerging opportunities and threats, seize strategic options, and transform resource configurations, thereby sustaining competitive advantage under conditions of volatility and uncertainty. Subsequent research operationalizes dynamic capabilities into three interrelated activities: sensing, seizing, and

transforming (Teece, 2007), highlighting both the analytical and practical dimensions of strategic adaptation.

A complementary concept, organizational ambidexterity, emphasizes the firm's capacity to simultaneously explore new opportunities and exploit existing competencies (March, 1991; O'Reilly & Tushman, 2013). Exploration entails experimentation, innovation, and the pursuit of novel knowledge, whereas exploitation focuses on refinement, efficiency, and leveraging established strengths. Firms that fail to maintain this balance risk either strategic rigidity, which limits responsiveness to environmental change, or excessive experimentation, which may dilute focus and reduce operational efficiency.

In the context of VUCA–BANI environments, dynamic capabilities and ambidexterity are particularly critical. They enable organizations to integrate digital and socio-technical resources, translating technological investments into actionable strategic advantage. For instance, digital transformation initiatives—ranging from AI-driven analytics to platform-based ecosystem engagement—can enhance the sensing and seizing dimensions of dynamic capabilities, while ambidextrous structures ensure that exploitation of existing competencies does not impede exploratory innovation. Collectively, these mechanisms allow firms to adapt continuously, innovate strategically, and maintain resilience, even under conditions of systemic fragility, ambiguity, and rapid change.

2.4. Ecosystem Strategy and Platform Competition

In contemporary markets, competition increasingly occurs within interconnected business ecosystems, rather than solely between individual firms. Ecosystem-based competition requires organizations to adopt distinct strategic roles: some act as ecosystem orchestrators, setting rules, coordinating resources, and enabling interactions, while others participate as complementors, contributing specialized capabilities or products to enhance overall ecosystem value (Adner & Kapoor, 2010). The success of ecosystem participation depends critically on interoperability, open architectural design, and effective governance mechanisms, which facilitate collaboration, reduce coordination costs, and mitigate opportunistic behavior among actors (Jacobides, Cennamo, & Gawer, 2018).

Platform-based business models further amplify these dynamics by leveraging network effects, where the value of the platform grows with the number of participants, thereby reshaping competitive structures and creating barriers to entry. Firms that effectively manage platform ecosystems can achieve scalable advantages, foster co-innovation, and strengthen strategic influence

across multiple industries. Consequently, ecosystem strategy extends the traditional notions of competitive advantage by emphasizing inter-firm interdependencies, collaborative value creation, and dynamic orchestration capabilities.

2.5. Sustainability as strategy

Sustainability has increasingly become a central dimension of strategic decision-making, extending beyond compliance to influence long-term organizational performance. Empirical evidence demonstrates a positive relationship between environmental, social, and governance (ESG) performance and sustained financial outcomes, highlighting how responsible practices can enhance both value creation and risk mitigation (Eccles, Ioannou, & Serafeim, 2014).

Beyond financial implications, regulatory pressures, evolving stakeholder expectations, and societal norms elevate sustainability from a peripheral concern to a core strategic imperative. Organizations that integrate ESG considerations into their strategic frameworks can achieve enhanced resilience, legitimacy, and adaptive capacity, particularly in complex and turbulent environments. In this sense, sustainability functions as both a risk management tool and a source of competitive differentiation, aligning ethical responsibility with long-term strategic advantage.

3. Research Methodology

This study employs a conceptual research design, drawing on a systematic review and synthesis of peer-reviewed academic literature. Conceptual research is particularly suited to contexts where the objective is theory development, integration, and the construction of analytical frameworks, rather than empirical hypothesis testing (Jaakkola, 2020).

The literature was carefully selected from leading journals in strategic management and related fields, including *Strategic Management Journal*, *Journal of Management Studies*, *Long Range Planning*, and *Organization Science*. Key constructs—such as dynamic capabilities, organizational ambidexterity, ecosystem strategy, digital transformation, and sustainability—were identified, critically analyzed, and synthesized to develop a cohesive conceptual framework of competitive readiness.

To ensure rigor, the review followed a structured approach: articles were screened based on relevance, methodological quality, and conceptual contribution. Insights were then compared across studies to identify convergent patterns, theoretical gaps, and interdependencies between constructs. This approach enabled the development of a framework that integrates emerging and established

research streams, providing a holistic perspective on the strategic capabilities that underpin organizational competitiveness in digitally driven, ecosystem-based, and volatile environments.

By adopting a conceptual synthesis methodology, this study contributes to strategic management scholarship by offering a theoretically grounded, actionable framework that can guide both academic inquiry and managerial practice.

4. Conceptual Framework: Competitive Readiness

Drawing on the literature reviewed, this paper proposes a multidimensional framework of competitive readiness, capturing the interdependent capabilities that enable firms to sustain strategic advantage in digitally enabled, ecosystem-driven, and turbulent environments. The framework is formalized as:

$$\textit{Competitive Readiness} = \textit{Digital Capability} \times \textit{Strategic Agility} \times \textit{Ecosystem Position} \times \textit{Human Capital Maturity}$$

Digital capability denotes an organization's ability to harness digital technologies, big data, and artificial intelligence to generate actionable insights, inform decision-making, and reconfigure resources in alignment with strategic objectives (Bharadwaj et al., 2013; Vial, 2019). Beyond technology adoption, this construct emphasizes the socio-technical integration of IT infrastructure, organizational processes, and human expertise, recognizing that digitalization alone does not guarantee strategic impact.

Strategic agility reflects a firm's capacity for rapid sensing, decision-making, and resource reallocation in response to environmental volatility and uncertainty (Doz & Kosonen, 2010). Agile organizations can anticipate changes, pivot strategies dynamically, and balance exploration of new opportunities with exploitation of existing competencies, thereby sustaining performance under complex and unpredictable conditions.

Ecosystem position captures a firm's role, influence, and embeddedness within interdependent networks of value creation, including complementors, platform participants, and other strategic partners (Adner & Kapoor, 2010; Jacobides et al., 2018). Firms occupying central or orchestrating positions can shape value creation, amplify network effects, and exert strategic influence, while peripheral actors benefit from collaborative opportunities and co-innovation.

Human capital maturity encompasses the skills, adaptive learning, knowledge integration, and experiential depth of an organization's workforce (Raisch & Krakowski, 2021). Mature human capital

enables effective adoption of digital tools, execution of agile processes, and the strategic leveraging of ecosystem opportunities, highlighting that people are the linchpin connecting technology, strategy, and networked relationships.

The multiplicative structure of the framework conveys that deficiencies in any single dimension limit overall competitive readiness, emphasizing the systemic, interdependent, and holistic nature of strategic success. This perspective reinforces the notion that sustained competitiveness arises not from isolated investments in technology, agility, networks, or talent alone, but from the synergistic alignment of these capabilities, enabling firms to thrive in environments marked by complexity, uncertainty, and rapid change.

By integrating these four dimensions, the framework provides both a theoretical lens for understanding competitive readiness and a practical guide for managers, signaling where interventions in digital capabilities, strategic processes, ecosystem positioning, or workforce development can have the greatest impact.

5. Discussion

The proposed conceptual framework underscores that competitive advantage in contemporary strategic environments is inherently systemic, emerging from the dynamic interplay of multiple organizational capabilities rather than from isolated investments. While investments in digital technologies are necessary to enable data-driven decision-making and process automation, these investments do not automatically translate into sustained performance unless they are complemented by strategic agility, human capital maturity, robust governance, and effective ecosystem positioning. This interdependence highlights that organizational competitiveness is a function of capability alignment across technological, structural, relational, and human domains.

These findings are consistent with prior research emphasizing the criticality of resilience, continuous organizational learning, and adaptive governance mechanisms for performance in turbulent and complex contexts (Lengnick-Hall, Beck, & Lengnick-Hall, 2011). By situating the firm within an interconnected ecosystem, the framework also reinforces the notion that competitive advantage is increasingly relational, contingent on the firm's ability to orchestrate interactions and co-create value across networks (Adner & Kapoor, 2010; Jacobides, Cennamo, & Gawer, 2018).

Moreover, the framework operationalizes a shift from episodic, planning-centric strategy toward continuous, real-time strategy execution, enabled by the integration of digital sensing, agile resource reconfiguration, and dynamic decision-making processes. This perspective aligns with contemporary views of strategy as an adaptive, practice-oriented process (Whittington, 2006),

emphasizing that effective management in volatile, uncertain, complex, and fragile (VUCA–BANI) environments requires not only technological capability but also organizational foresight, learning agility, and relational leverage.

In practical terms, the framework provides a diagnostic and prescriptive tool for managers: it identifies capability domains that must be developed in tandem, elucidates their interdependencies, and highlights how deficiencies in any single domain can constrain overall competitiveness. From a theoretical standpoint, the framework contributes to strategic management scholarship by integrating insights from digital transformation, dynamic capabilities, ambidexterity, ecosystem theory, and sustainability research, offering a comprehensive lens for understanding how firms achieve and sustain competitive readiness in digitally mediated, ecosystem-based, and turbulent markets.

6. Conclusions and future research

This study contributes to the strategic management literature by integrating previously fragmented research streams into a cohesive conceptual framework of competitive readiness. By synthesizing insights from digital transformation, dynamic capabilities, organizational ambidexterity, ecosystem strategy, and sustainability, the framework elucidates how firms can sustain competitiveness in environments characterized by persistent disruption, systemic fragility, and ecosystem-based interdependencies.

From a managerial perspective, the framework provides actionable guidance for aligning digital investments, organizational capabilities, and ecosystem positioning to achieve holistic strategic advantage. It highlights that effective competitiveness is contingent on synergistic alignment across multiple capability domains, rather than isolated initiatives, thereby offering a roadmap for strategic decision-making in complex, rapidly evolving contexts.

The study also identifies several avenues for future research. First, the conceptual framework should be empirically validated across diverse industry sectors and institutional settings to assess its predictive utility. Second, longitudinal studies could examine how dynamic capabilities, digital maturity, and ecosystem positioning co-evolve over time to influence competitive outcomes. Finally, further investigation is warranted into the interdependencies between human capital, digital capability, and strategic agility, including how these dimensions interact to shape resilience, innovation, and long-term value creation.

By providing a theoretically grounded and practically relevant lens, this study lays the foundation for advancing both academic understanding and managerial practice in the new era of ecosystem-driven, digitally mediated, and volatile competitive environments.

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