

# Strategic Portfolio Reconfiguration under Digital Transformation: A Qualitative Case Study of a Diversified State-Owned Enterprise in Vietnam

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**Abstract:** Digital transformation affects not only operations and business models but also how diversified firms evaluate, prioritize, and govern their corporate portfolios. Yet this portfolio-level role remains underexplored in state-owned enterprises (SOEs), where commercial goals coexist with public mandates, regulatory constraints, and capital-preservation requirements. This study examines the drivers, mechanisms, and priorities of strategic portfolio reconfiguration in a diversified Vietnamese SOE, anonymized as Company T. A qualitative single-case design combines ten semi-structured interviews, internal documents, operational and financial data for 2023–2025, and structured portfolio assessments. The findings show that reconfiguration is driven by uneven business performance, dispersed resources, prolonged projects, fragmented information, technological change, and growing accountability requirements. Digital transformation supports reconfiguration through four mechanisms: data visibility, cross-unit comparability, resource coordination, and strategic control. The proposed target configuration comprises five differentiated roles: core growth, selective capability development, efficiency and cash generation, conditional asset development, and restructuring or exit, supported by a shared digital governance platform. Digital technologies, however, create portfolio-level value only when linked to decision rights, managerial accountability, risk governance, and disciplined resource allocation. The study extends digital transformation research to the corporate portfolio level and interprets portfolio reconfiguration as a digitally enabled dynamic capability under hybrid organizational objectives.

**Keywords:** Digital Transformation; Strategic Portfolio Reconfiguration; Dynamic Capabilities; State-Owned Enterprise; Diversified Enterprise; Vietnam.

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## I. INTRODUCTION

Digital transformation has become a strategic priority for firms operating in volatile, data-intensive, and interconnected environments. It extends beyond the adoption of individual technologies to changes in processes, value creation, structures, and strategic orientation (Vial, 2019; Verhoef et al., 2021). Research has examined digital capabilities, process innovation, customer experience, business-model change, and firm performance, but its implications for corporate-level portfolio decisions remain comparatively underdeveloped (Hanelt et al., 2021; Kraus et al., 2022). This gap matters in diversified firms, where senior managers must decide not only how each business

competes but also which activities should receive investment, be maintained selectively, be restructured, or be discontinued.

Strategic portfolio reconfiguration refers to deliberate changes in the composition, roles, resource commitments, and governance of a firm's businesses and projects. It includes the addition, combination, redeployment, restructuring, or divestment of resources and organizational units (Karim & Capron, 2016). From a dynamic capabilities perspective, it represents a corporate-level process of sensing changes and performance differences, seizing selected opportunities, and transforming the resource base (Teece et al., 1997; Teece, 2007). Digital technologies can strengthen this process by

integrating data, standardizing performance indicators, coordinating shared resources, and enabling timely control. Technology does not determine portfolio choices, however; information must be translated into priorities, resource commitments, and accountable action.

These issues are particularly salient in diversified SOEs. Unlike private firms whose portfolio decisions may be dominated by financial returns, SOEs often pursue hybrid objectives involving commercial performance, public responsibilities, employment, regulatory compliance, and the preservation of state capital (Bruton et al., 2015; OECD, 2024). Their ability to restructure or exit underperforming activities can also be constrained by rules governing investment, land, assets, labor, and ownership. Portfolio reconfiguration must therefore account for market attractiveness and financial performance as well as strategic obligations, legal feasibility, risk, and public value.

Vietnam provides a relevant setting because SOEs remain important in infrastructure, logistics, construction, energy, and other strategic sectors. Many operate portfolios accumulated over time while facing simultaneous pressure to modernize governance, improve capital efficiency, and undertake digital transformation. Empirical evidence on how digital capabilities support portfolio-level decisions in this context remains limited.

This study addresses that gap through a qualitative case study of Company T, a diversified Vietnamese SOE preparing its development strategy for 2026–2030. It asks: (RQ1) What external pressures and internal limitations drive portfolio reconfiguration? (RQ2) How does digital transformation support evaluation, prioritization, and resource allocation across business areas? (RQ3) What portfolio priorities and implementation mechanisms are appropriate? The study contributes by extending digital transformation to the corporate portfolio level, conceptualizing portfolio reconfiguration as a dynamic capability, and showing how state ownership and hybrid objectives condition resource reallocation in an emerging economy.

## II. THEORETICAL BACKGROUND AND ANALYTICAL FRAMEWORK

### ➤ *Portfolio reconfiguration as a dynamic capability*

A corporate portfolio comprises the businesses, projects, assets, and strategic activities governed at corporate level. Portfolio management assigns roles to those activities and allocates capital, technology, human resources, assets, and managerial attention among them. Traditional tools such as the GE/McKinsey matrix help distinguish businesses that warrant investment, selective development, maintenance, restructuring, or divestment. Classification alone, however, does not create change. Reconfiguration occurs only when analysis alters

resource commitments, governance arrangements, or the portfolio's composition.

Dynamic capabilities explain this transition from evaluation to action. Sensing identifies changes in technologies, customers, markets, regulations, performance, and risk. At portfolio level, it reveals differences among heterogeneous businesses. Seizing selects opportunities and commits resources; because firms cannot pursue all opportunities equally, it requires comparative judgment and explicit priorities. Transforming renews structures and resource combinations by transferring resources, integrating complementary operations, restructuring weak activities, or withdrawing from projects that no longer justify continued commitment (Teece, 2007). Portfolio reconfiguration is therefore an ongoing corporate capability rather than a one-time analytical exercise.

This perspective also clarifies why valuable assets do not automatically yield corporate advantage. Infrastructure, land, customer relationships, specialized expertise, and technology create value only when deployed in appropriate activities and reallocated as conditions change. In diversified firms, managers must compare units with different economics and time horizons, reconcile competing objectives, and overcome organizational attachment to historically funded activities. Corporate advantage depends partly on whether headquarters can perform these allocation and coordination functions better than independent businesses could.

### ➤ *Digital Transformation and Portfolio Governance*

Digital transformation is organizational change shaped by digital technologies and associated changes in value creation, structures, routines, and strategic orientation (Vial, 2019). It is broader than digitization of information or digitalization of existing processes. Its value depends on leadership, data governance, employee capabilities, process redesign, and organizational learning (Bharadwaj et al., 2013; Warner & Wäger, 2019). At portfolio level, the literature suggests four mechanisms.

First, **data visibility** makes financial, operational, customer, asset, project, and risk information accessible across units. Integrated data help executives detect performance gaps and emerging problems that fragmented reports obscure. Second, **cross-unit comparability** uses common definitions, indicators, and dashboards to compare heterogeneous businesses on financial contribution, market position, asset use, strategic relevance, readiness, and risk. Comparability does not eliminate managerial judgment, but it makes the basis of that judgment more transparent.

Third, **resource coordination** connects customers, assets, logistics, finance, investment, and human resources across activities. Shared platforms can reveal opportunities for integrated services, cross-selling, joint use of infrastructure, or

redeployment of underused assets and talent. Fourth, **strategic control** links portfolio roles to budgets, performance measures, risk indicators, and decision gates. Balanced scorecards, key performance indicators (KPIs), key risk indicators (KRIs), dashboards, and stage-gate reviews can expose implementation delays and support continuation, modification, transfer, or termination decisions (Kaplan & Norton, 1996; Cooper, 1990).

These mechanisms do not imply technological determinism. More data may reinforce inertia if decision rights remain unclear or managers cannot stop failing projects. Digital transformation becomes strategically consequential when it improves the firm's capacity to sense differences, seize selected opportunities, reallocate resources, and enforce decisions.

#### ➤ *Hybrid Objectives and the Analytical Framework*

SOEs combine commercial and non-commercial objectives and operate under multiple accountability relationships. Public mandates may justify maintaining activities that a purely financial analysis would reject, while

rules designed to protect state assets may slow restructuring. Such conditions should not be treated only as obstacles. They define the criteria by which portfolio choices must be evaluated: financial return, strategic relevance, legal feasibility, risk, service obligations, and capital preservation. Greater managerial autonomy therefore needs to be paired with transparent evidence, independent review, auditable decisions, and clear accountability (OECD, 2024).

Figure 1 integrates these arguments. External and internal pressures prompt reassessment of the portfolio. Digitally enabled sensing improves visibility and comparability. Portfolio evaluation assigns differentiated roles using market, competitive, financial, strategic, legal, technological, and risk criteria. Resources are then reallocated toward a target configuration. Implementation and continuous control feed new information back into subsequent reviews. State ownership, hybrid objectives, regulation, and managerial authority condition every stage.

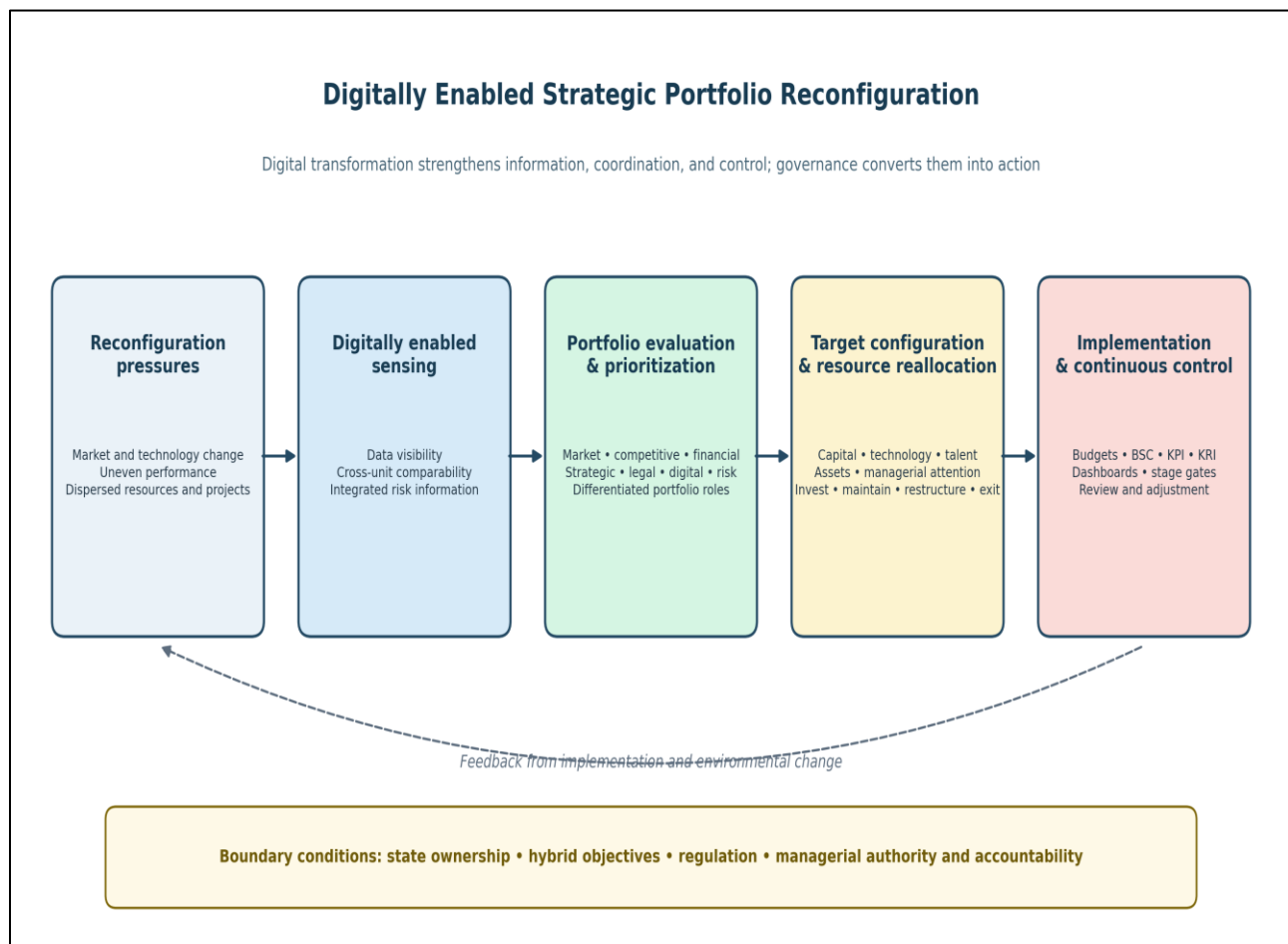


Fig 1. Analytical Framework of Digitally Enabled Strategic Portfolio Reconfiguration.

Source: Developed by the Authors.

### III. METHODOLOGY

#### ➤ Research Design and Case Selection

The study uses an exploratory and explanatory single-case design. Case research is appropriate when a contemporary organizational phenomenon is inseparable from its managerial, technological, and institutional context (Yin, 2018). The unit of analysis is Company T's corporate business portfolio; individual businesses are embedded components rather than separate cases. The objective is analytical, not statistical, generalization.

Company T was selected purposively as an information-rich diversified SOE. Its activities include ICD port and logistics services, construction and unexploded ordnance (UXO) clearance, petroleum storage and related services, hospitality, land and asset exploitation, and investment projects

at different stages. These businesses differ in market attractiveness, capital intensity, technological readiness, risk, and financial performance. The company is also formulating its 2026–2030 strategy while pursuing digital transformation, operational efficiency, stronger risk governance, and more disciplined capital allocation.

#### ➤ Data Collection

Data were collected from 5 June to 6 August 2026. Three sources were combined: ten semi-structured interviews, company documents and records, and participant assessments used to support structured strategic analysis. Participants were selected for their knowledge of corporate strategy, finance, human resources, digital transformation, operations, markets, projects, and risk. To preserve confidentiality, names and exact positions are not reported.

Table 1. Interview Participant Profile

| Codes   | Participant group           | Principal knowledge                                                                 |
|---------|-----------------------------|-------------------------------------------------------------------------------------|
| P01–P02 | Corporate senior management | Strategy, development, implementation, and resource governance                      |
| P03–P06 | Functional management       | Planning, finance, human resources, information systems, and cybersecurity          |
| P07–P09 | Business management         | Logistics, construction/UXO clearance, petroleum storage, hospitality, and services |
| P10     | Professional specialist     | Strategic management, portfolio analysis, and digital transformation                |

Interviews addressed performance in 2023–2025, external and internal drivers, resources and capability gaps, positions of individual businesses, digital priorities, portfolio choices, implementation requirements, and risks. Interviews lasted approximately 30–45 minutes and were conducted face-to-face or online. The documentary evidence included strategy and business plans, operational and financial information, human-resource records, investment and asset reports, and digital transformation plans. External legislation, policy, market information, and relevant research were used to interpret the institutional and industry context.

External Factor Evaluation (EFE), Internal Factor Evaluation (IFE), Internal–External (IE), Strategic Position and Action Evaluation (SPACE), GE/McKinsey, SWOT, and Quantitative Strategic Planning Matrix (QSPM) tools were used as structured analytical aids rather than statistical methods. Relevant participants reviewed the factors and their relative importance. Scores organized comparisons and challenged interpretations, but no conclusion depended on a matrix alone.

#### ➤ Analysis, Trustworthiness, and Ethics

The study combined deductive and inductive thematic analysis (Braun & Clarke, 2006). Deductive codes reflected sensing, seizing, transforming, visibility, comparability, coordination, control, hybrid objectives, and institutional

constraints. Inductive coding captured issues emerging from interviews and company evidence. The analysis proceeded from familiarization and coding to five cross-source themes: reconfiguration pressures, differences among business areas, digital mechanisms, portfolio priorities, and implementation conditions. Business areas were compared using market attractiveness, competitive strength, financial contribution, resource requirements, strategic relevance, digital readiness, legal feasibility, and risk.

Credibility was supported through triangulation of interviews, documents, performance data, and strategic assessments. A common interview protocol, participant coding, and documented analytical sequence supported dependability. Confirmability was strengthened by distinguishing company evidence, participant assessments, and researcher proposals; the target portfolio is presented as a recommendation, not an implemented decision. The case context and selection logic support transferability to comparable diversified SOEs (Lincoln & Guba, 1985). Participation was voluntary, identities were anonymized, and sensitive operational, security, land, asset, and unapproved project details were omitted or aggregated.

#### IV. FINDINGS

##### ➤ *Pressures for Portfolio Reconfiguration*

Company T's portfolio displayed a growing mismatch between diversification and its ability to allocate resources, integrate information, and sustain consistent performance. Revenue increased during 2023–2025, but profitability, margins, and return on equity weakened in 2025. Growth in activity therefore did not translate proportionately into growth quality or capital efficiency. The portfolio also contained prolonged projects and activities with recurring weak performance, which absorbed capital and managerial attention.

External conditions offered substantial but uneven opportunities. Demand for integrated port, warehousing, transportation, and logistics services supported development around the ICD port. Digital supply chains, electronic documentation, cargo tracking, and platform-based coordination increased the potential for integrated services. Conversely, competition intensified and requirements concerning safety, environmental performance, data protection, and cybersecurity became more demanding. The EFE score of 2.59 indicates a response slightly above the midpoint but still moderate: attractive opportunities existed, yet fragmented systems and uneven capabilities limited the company's ability to exploit them.

Internally, Company T possessed infrastructure, land and physical assets, customer relationships, specialized experience, and knowledge of regulated activities. However, these resources were dispersed across businesses and were not consistently coordinated at corporate level. Weaknesses included uneven performance, historically distributed investment, inconsistent management practices, limited integrated data, and shortages in data governance, systems integration, analytics, portfolio management, and cybersecurity. The IFE score of 2.57 likewise indicated a moderate position. The IE matrix placed the company in Cell V, supporting a hold-and-maintain orientation with selective development rather than broad expansion. The SPACE analysis was close to the conservative boundary, reinforcing the need for focus and disciplined commitment.

The central pressure was therefore not diversification itself but undifferentiated governance of diversification. Businesses with different prospects, risks, and strategic roles

could not continue to receive resources according to historical patterns. The portfolio needed explicit roles and corresponding rules for investment, maintenance, conditional development, restructuring, and exit.

The evidence also indicated that managerial attention was itself a scarce portfolio resource. Prolonged initiatives demanded repeated reporting, legal review, and coordination even when their economic contribution remained limited. At the same time, promising logistics opportunities required cross-functional decisions on customers, capacity, technology, and investment. Reconfiguration was therefore expected to release not only capital and assets but also senior-management attention for activities with stronger strategic potential.

##### ➤ *Differences Among Business Areas*

The cross-business assessment showed considerable heterogeneity (Table 2). ICD port and integrated logistics achieved the strongest combined position, with market attractiveness of 4.35 and competitive strength of 4.20. Existing infrastructure, customer relationships, and the possibility of integrating port, warehousing, transport, and related services supported its designation as the core growth platform.

Construction and UXO clearance combined an attractiveness score of 3.95 with competitive strength of 3.70. Specialized expertise and compliance capability were valuable, but project-based demand, payment conditions, safety obligations, and resource volatility argued against simultaneous expansion. This activity was therefore assigned selective capability development, with project-level screening.

Land and other assets had development potential but depended on legal status, planning approval, market demand, technical feasibility, and financing. Its scores of 3.60 and 3.20 supported conditional rather than automatic investment. Petroleum storage had moderate attractiveness (2.85) but stronger competitive capacity (3.30), whereas hospitality had attractiveness of 3.20 and strength of 2.85. These mature activities were better positioned to improve asset productivity, service quality, cost efficiency, and cash generation than to absorb major expansion capital. Granite, with scores of 1.90 and 1.80, combined weak prospects, prolonged implementation, and continued resource absorption; it required time-bound restructuring, transfer, recovery, or exit.

Table 2. Strategic Position and Proposed Role of Business Areas

| Business Area                     | Market Attractiveness | Competitive Strength | Proposed Portfolio Role          |
|-----------------------------------|-----------------------|----------------------|----------------------------------|
| ICD port and integrated logistics | 4.35                  | 4.20                 | Core growth                      |
| Construction and UXO clearance    | 3.95                  | 3.70                 | Selective capability development |
| Land and exploitable assets       | 3.60                  | 3.20                 | Conditional asset development    |
| Petroleum storage and services    | 2.85                  | 3.30                 | Efficiency and cash generation   |

| Business Area                          | Market Attractiveness | Competitive Strength | Proposed Portfolio Role        |
|----------------------------------------|-----------------------|----------------------|--------------------------------|
| Hospitality and selected services      | 3.20                  | 2.85                 | Efficiency and cash generation |
| Granite and persistent underperformers | 1.90                  | 1.80                 | Restructuring or exit          |

These results do not prescribe mechanical de-diversification. They support differentiated portfolio governance. Activities may remain in the portfolio for different reasons, but each requires a defined role, resource rule, performance logic, and review point.

➤ *Digital Mechanisms Enabling Reconfiguration*

Four mechanisms explained how digital transformation could support portfolio change. First, integrated data improve **visibility** of revenue, profitability, cash flow, asset use, project progress, customers, obligations, and risk. Visibility is particularly important for prolonged projects and dispersed assets because cumulative commitments can otherwise be obscured across functional reports.

Second, common data definitions and a corporate dashboard enable **cross-unit comparability**. Businesses remain economically different, so comparison cannot rely on a single financial ratio. A standardized portfolio view can combine financial contribution with market position, asset productivity, strategic relevance, legal feasibility, digital readiness, and risk. The result is a more explicit and contestable basis for assigning roles.

Third, shared platforms strengthen **resource coordination**. Integration across port, warehouse, transport, customer, finance, asset, project, and human-resource information can reveal complementary services and underused resources. It also allows corporate management to distinguish resources essential to a business from resources that can be shared or redeployed.

Fourth, digital dashboards, BSC, KPI, KRI, budgets, and decision gates strengthen **strategic control**. They connect an assigned portfolio role to measurable commitments and provide evidence for continuing, modifying, pausing, transferring, or terminating initiatives. This matters because a classification exercise has little effect if annual budgets and incentives continue to reproduce historical allocations.

These mechanisms are mutually reinforcing. Visibility without comparable criteria may produce more reports rather than better choices. Comparability without authority may identify problems but leave resources unchanged. Coordination without controls may increase operational interdependence without accountability. The portfolio-level value of digital transformation therefore arises from the combination of information architecture and governance.

Participants' assessments further suggested that the sequence of digital investment matters. Fragmented automation at unit level could improve local tasks while making corporate comparison harder if data definitions and interfaces differed. A shared architecture, master-data rules, and a limited set of portfolio indicators were therefore viewed as prerequisites for more advanced analytics. This sequencing shifts the emphasis from purchasing technology to building an organizational information base for repeated resource-allocation decisions.

➤ *Target Configuration and Resource Reallocation*

The proposed target portfolio comprises five differentiated categories supported by a common digital governance platform (Table 3). ICD port and integrated logistics receive priority capital, technology, digital talent, and market-development attention, subject to demand, capacity utilization, customer retention, cash flow, and risk-adjusted returns. Construction and UXO clearance receive resources by project, conditional on strategic fit, safety, compliance, payment terms, and financial thresholds.

Mature petroleum storage, hospitality, and selected services prioritize maintenance, utilization, service quality, revenue management, and cost reduction rather than major capacity expansion. Land and assets receive capital only after legal, planning, market, technical, financial, and risk gates are passed. Granite and persistent underperformers follow a withdrawal logic: new investment stops unless required to preserve recoverable value, satisfy legal obligations, or complete an approved resolution. The objective is to recover capital, reduce continuing costs, and release managerial attention.

Table 3. Digitally Enabled Target Portfolio Configuration

| Portfolio Category and Allocated Activities                            | Strategic Role                                              | Resource Rule                                                                 | Principal Digital Support                                                                                |
|------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Core growth: ICD port and integrated logistics                         | Main growth platform and service-integration hub            | Prioritize capital, technology, digital talent, and market development        | Port/warehouse systems, cargo tracking, CRM, customer portal, integrated operational and financial data  |
| Selective capability: construction and UXO clearance                   | Exploit specialized capabilities through screened projects  | Allocate project by project; avoid broad simultaneous expansion               | Project portfolio management, electronic records, GIS, cost, schedule, safety, and compliance monitoring |
| Efficiency and cash: petroleum storage, hospitality, selected services | Improve asset productivity and stable cash generation       | Limit expansion; prioritize utilization, service quality, and cost efficiency | Inventory monitoring, predictive maintenance, revenue management, online services, CRM, cost dashboards  |
| Conditional assets: land and exploitable assets                        | Create value only when feasibility conditions are satisfied | Commit capital only after legal and investment gates                          | Digital asset register, GIS, legal files, financial models, approval dashboard                           |
| Restructuring or exit: Granite and persistent underperformers          | Release tied-up resources and reduce opportunity cost       | Stop new investment; restructure, recover, transfer, or exit                  | Project repository; tracking of assets, obligations, cumulative cost, and resolution milestones          |
| Shared digital governance platform: entire portfolio                   | Connect information and corporate decisions                 | Invest through a common architecture and roadmap                              | Data warehouse, integrated ERP, portfolio dashboard, BSC, KPI, KRI, early warning, and stage gates       |

Digital transformation is thus not treated as a separate business in the portfolio. It is a shared capability layer that supports distinct strategic roles. The target portfolio results from combining business performance, market attractiveness, competitive strength, strategic relevance, legal feasibility, risk, and digital readiness. Technology improves the information, coordination, and control needed to enact those choices; it does not independently create the portfolio.

➤ *A Process Model of Digitally Enabled Reconfiguration*

The findings form a six-part process. External change, uneven results, dispersed resources, prolonged projects, and institutional requirements first create pressure to reassess the portfolio. Digital integration then makes performance, assets, projects, customers, and risks visible. Standardized criteria make heterogeneous businesses comparable. Analysis is translated into differentiated roles, which guide the reallocation of capital, technology, talent, assets, and managerial attention. Finally, dashboards and decision gates support implementation, continuous review, and further adjustment.

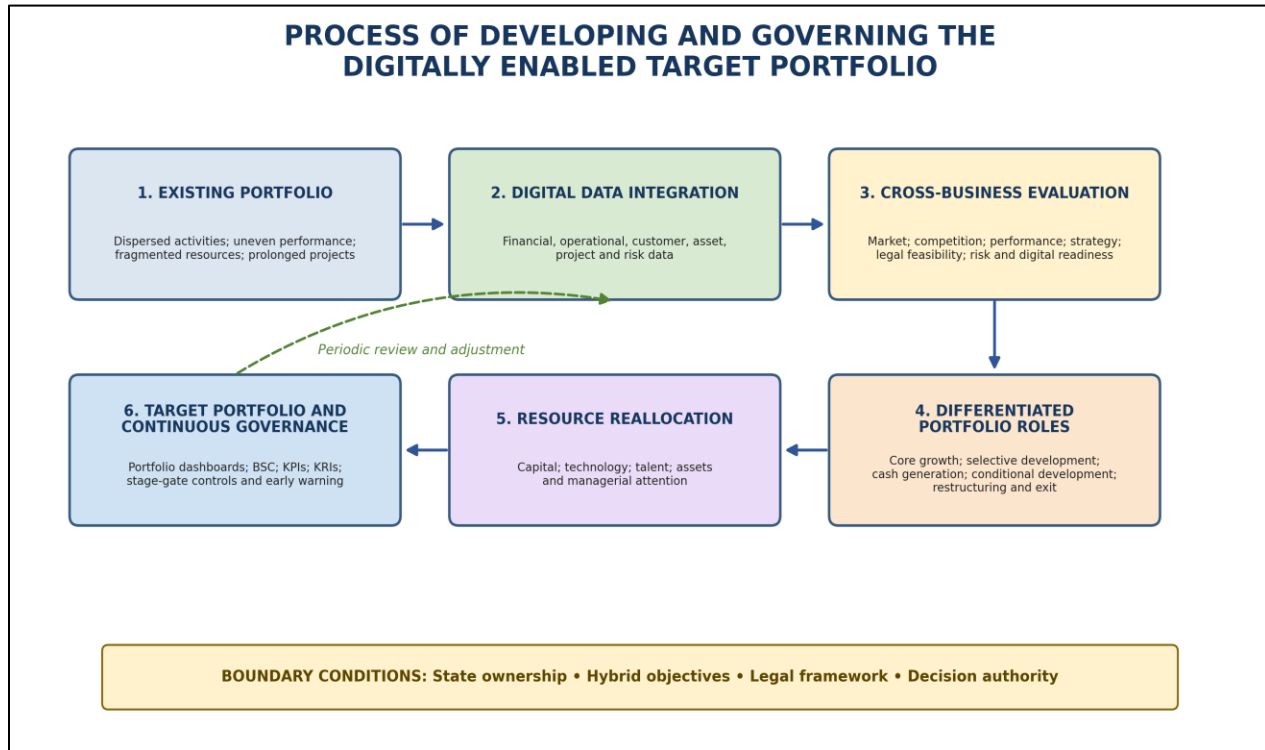


Fig 2. Process of Digitally Enabled Target Portfolio Reconfiguration.

Source: Developed by the Authors from the Case Findings.

The model moves beyond static classification by explaining how digital capabilities connect portfolio analysis with resource reconfiguration. Its feedback logic is important: market, legal, technological, and organizational conditions change, so target roles require periodic reassessment rather than permanent designation.

The process also contains potential stopping points. A business may be strategically attractive but unable to pass legal or financial gates; an underperforming project may require temporary expenditure to protect recoverable value; and a core activity may need its investment pace reduced if demand or execution capability weakens. These contingencies explain why the proposed categories are decision rules rather than unconditional forecasts.

## V. DISCUSSION

### ➤ *Portfolio Reconfiguration as a Digitally Enabled Dynamic Capability*

The study shows that digital transformation contributes to portfolio reconfiguration indirectly, by strengthening sensing, seizing, and transforming. Visibility and comparability enhance sensing because corporate managers can identify differences and emerging risks across units. Differentiated roles support seizing by converting analysis into selective commitments. Coordination and control support transforming by enabling resources to move and by monitoring whether the intended changes occur.

This mechanism-based interpretation extends research that treats digital transformation primarily as process or business-model change (Vial, 2019; Verhoef et al., 2021). At corporate level, digital value also lies in improving the allocation of scarce resources among businesses. The relevant outcome is not the number of applications installed or processes digitized, but the quality and timeliness of investment, maintenance, restructuring, and exit decisions.

The case also qualifies an information-centric view of digital transformation. Better data were necessary but insufficient. Reconfiguration depended on common criteria, authority to act, budget alignment, risk governance, and credible exit mechanisms. This supports the argument that digital transformation requires organizational and managerial capabilities rather than technology alone (Warner & Wäger, 2019). It also clarifies why digital initiatives may be dispersed when portfolio priorities are unclear: each unit can optimize locally while corporate resource allocation remains unchanged.

### ➤ *Differentiated Governance Under Hybrid Objectives*

The target configuration illustrates how hybrid objectives modify portfolio logic. A business should not be retained or removed solely because of one financial indicator. Strategic relevance, legal constraints, service obligations, risk, and capital preservation must also be considered. Yet hybrid objectives should not become a rationale for indefinite commitment. Explicit portfolio roles make the grounds for

support more transparent and distinguish time-bound strategic support from structurally weak performance.

The conditional asset category is especially relevant to SOEs. Ownership of land or physical assets does not itself establish an investable opportunity. Digital asset records and legal documentation can improve transparency, but commitment should occur only after legal, planning, market, technical, financial, and risk gates. Similarly, the restructuring/exit category recognizes that public ownership may require a controlled, auditable resolution rather than rapid divestment. The principle remains resource withdrawal, but the method must preserve value and comply with institutional obligations.

These findings complement research on state ownership by showing that governance conditions affect the speed, criteria, and reversibility of reconfiguration (Bruton et al., 2015). Managerial autonomy and accountability are complements: managers need sufficient authority to reallocate resources, while owners require evidence, independent review, conflict-of-interest controls, and auditable records.

#### ➤ *Theoretical Contributions*

The study makes three contributions. First, it identifies a portfolio-level role for digital transformation through four mechanisms—visibility, comparability, coordination, and control. These mechanisms link digital capability to corporate resource allocation rather than only unit-level efficiency.

Second, it specifies portfolio reconfiguration as a dynamic capability. The empirical process connects sensing of heterogeneous performance, seizing through differentiated roles, and transforming through resource reallocation and control. This advances a process explanation beyond static portfolio matrices.

Third, it introduces state ownership and hybrid objectives as boundary conditions. Digital information does not remove institutional constraints or resolve competing objectives, but it can make their implications more explicit and decisions more accountable. The proposed framework therefore explains both enabling mechanisms and limits: improved information becomes strategic only when governance permits and disciplines action.

## VI. MANAGERIAL AND POLICY IMPLICATIONS

For Company T and comparable diversified SOEs, digital investment should follow portfolio priorities. The first priority is not advanced artificial intelligence but common master data, definitions, access rights, project records, asset information, and integrated financial and operational indicators. These foundations should support a corporate portfolio dashboard rather than isolated unit systems.

Each business should be formally assigned a portfolio role with corresponding capital, technology, talent, performance, and risk commitments. Budgets, project appraisal, BSC, KPI, and KRI should use the same strategic logic. Core growth should be assessed through growth quality, service integration, customers, and return on invested capital; mature activities through utilization, productivity, service quality, and cash; conditional assets through feasibility gates; and restructuring activities through capital recovery, cost reduction, and resolution milestones. The portfolio should be reviewed annually and when material market, regulatory, technological, or resource changes occur.

For ownership agencies and policymakers, greater flexibility to restructure prolonged and weak projects should be paired with transparent valuation, independent assessment, conflict-of-interest controls, and auditable decisions. Digital transformation should be evaluated by measurable improvements in decision quality, capital efficiency, service quality, transparency, resilience, and risk control—not only technology spending or the number of digitized processes. Common standards for data governance, cybersecurity, investment evaluation, performance reporting, and risk disclosure would also improve oversight and cross-enterprise learning.

## VII. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This study examined how digital transformation supports strategic portfolio reconfiguration in a diversified Vietnamese SOE. Reconfiguration pressures arose from the interaction of external change, uneven business positions, dispersed resources, fragmented information, prolonged projects, and institutional requirements. Four digital mechanisms—data visibility, cross-unit comparability, resource coordination, and strategic control—enabled more disciplined evaluation and implementation. The resulting target configuration differentiated core growth, selective capability development, efficiency and cash generation, conditional asset development, and restructuring or exit, all supported by a shared digital governance platform.

The central conclusion is that digital transformation generates portfolio-level value when it improves the firm's capacity to observe, compare, coordinate, allocate, and control resources across businesses. Portfolio reconfiguration is therefore neither an information-technology project nor a mechanical financial classification. It is a governance-intensive organizational capability that combines a clear target portfolio, differentiated resource rules, and an integrated information and control architecture.

The study has limitations. It is based on one qualitative case, so findings are analytically rather than statistically generalizable. Some evidence derives from internal documents

and managerial assessments and may reflect role-based perspectives. EFE, IFE, GE/McKinsey, and related scores contain managerial judgment and are decision aids rather than objective statistical estimates. Confidentiality limited disclosure of financial, operational, land, asset, and project details. In addition, the target configuration had not been fully implemented by the end of data collection; the study explains its rationale and expected mechanisms rather than realized long-term outcomes.

Future research could compare multiple SOEs across industries and ownership structures, or contrast SOEs with private diversified firms. Longitudinal studies should follow firms before, during, and after reconfiguration to examine resistance, approval processes, resource movements, and effects on capital efficiency, resilience, innovation, and public value. Quantitative research could develop measures of portfolio visibility, comparability, coordination, agility, strategic control, and reallocation effectiveness. Further work should also examine how artificial intelligence, predictive analytics, and real-time risk systems affect portfolio decisions, including risks arising from data quality, cybersecurity, model opacity, and excessive reliance on automated recommendations.

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