

ABSTRACT

This study investigates the critical success factors and challenges inherent in the digital transformation of public procurement in Indonesia, focusing on a case study of its application within national Ministries and Government Agencies. Digital transformation in this context involves a systemic overhaul towards an integrated procurement framework designed to improve efficiency, transparency, and accessibility. Employing a qualitative methodology with a descriptive-exploratory approach, this research draws upon in-depth interviews with senior executives from the National Public Procurement Agency (LKPP), the Ministry of Finance, and Telkom.

The findings reveal that the success of digital transformation is heavily contingent upon several key factors: robust inter-agency commitment, a sharp focus on end-user benefits, adequate human resource capacity, effective change management, integrated IT systems, enabling regulations, and sufficient infrastructure. Conversely, primary challenges include resistance to change, technical constraints, the complexities of regulatory adaptation, and navigating new models of collaboration between government entities and State-Owned Enterprises (SOEs).

The study concludes with strategic recommendations, emphasizing the need for structured commitment and change management, strategic human resource development, the adoption of agile methodologies for system adaptability, and the harmonization of technological innovation with regulatory frameworks. Furthermore, it highlights the necessity of reinforcing commitment and collaboration between the government and both SOE and private sectors. It is anticipated that these findings will offer a significant contribution to the academic discourse on public sector digital transformation and provide a practical implementation framework for other governmental bodies in Indonesia.