Technology Investment Mode of Innovative Technological Corporations: M&A Strategies Intended to Facilitate Innovation

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Abstract

Investments in new technologies play a crucial role in helping high tech companies to gain competitive advantages over their competitions. If a company can utilize Merger & Acquisition (M&A) method to acquire new technologies, then this company can quickly generate substantial values from its technology portfolio within the fast-paced and rapidly-changing business environment. Our research is focused on providing companies a set of guidelines for them to determine their future technology development planning and strategies based on the review of their past development and execution of corporate strategies for technology advancement. We also utilize the Game Theory to analyze the process of technological asset acquisition. We found that if both the seller and the buyer sides have similar corporate development backgrounds and have mutual understanding on the relevant financial information, the acquisition negotiation time will significantly shortened. This type of negotiations should then focus on the content of the technology and the relationship between the technology and its financial returns in order to maximize the benefits generated from the technology assets.

Keyword: