

# TECHNOLOGY AND INNOVATION: IMPACTS ON MULTINATIONAL BUSINESS FINANCE

Michael Segara, University of Sydney, Australia

## ABSTRACT

In the rapidly evolving landscape of multinational business finance, technology and innovation play a pivotal role in shaping strategies, operations, and competitive advantages. This manuscript explores the profound impact of technology and innovation on multinational corporations' financial aspects, ranging from investment decisions to risk management. By examining case studies and emerging trends, we unveil the transformative effects of technology on finance, ultimately highlighting its role in driving the success of global enterprises.

**Keywords:** Multinational Business Finance, Technology, Innovation, Investment Decisions, Risk Management, Global Enterprises.

## INTRODUCTION

Technology and innovation have become the driving forces behind today's multinational business finance, reshaping the way corporations operate on a global scale (Zahra and Garvis, 2000). This manuscript delves into the various ways technology and innovation are revolutionizing the financial aspects of multinational businesses, providing a comprehensive view of their impacts on investment decisions, risk management, and the overall success of global enterprises (Gao and Chou, 2015).

### The Impact on Investment Decisions

Technology has drastically altered the way multinational corporations approach investment decisions. The availability of advanced data analytics tools and artificial intelligence enables businesses to make more informed investment choices (Ven Der Waal et al., 2021; Cantwell, 2017). With real-time data analysis and predictive modeling, companies can assess potential markets and project returns with greater accuracy, mitigating the risks associated with global expansion. The adoption of innovative financial software allows for efficient monitoring and management of investments across borders, ensuring optimal resource allocation (Hartono and Kusumawardhani, 2019).

### The Role in Risk Management

Multinational corporations face complex financial risks due to their global operations. Technology and innovation have empowered businesses to better manage and mitigate these risks. For instance, blockchain technology offers transparent and secure transaction processing, reducing the risk of fraud and currency fluctuations (Li and Chen, 2022). Additionally, the use of machine learning algorithms enhances risk assessment by identifying potential vulnerabilities and suggesting strategies to counteract them. This advanced risk management approach not only safeguards investments but also supports long-term profitability (Kumar and Liu, 2005).

### Case Studies and Emerging Trends

To illustrate the practical implications of technology and innovation in multinational business finance, we can examine case studies of successful corporations. For instance, companies like Amazon and Alibaba have leveraged their innovative supply chain management systems and online marketplaces to expand their global footprint rapidly (Venaik et al., 2005). Their ability

to adapt to changing market dynamics, driven by technological advancements, has positioned them as industry leaders in e-commerce and beyond. Moreover, emerging trends such as the adoption of cryptocurrency and decentralized finance (DeFi) have the potential to disrupt traditional financial systems, further emphasizing the importance of technology in multinational finance (Cantwell, 2009; Kim et al., 2021).

## CONCLUSION

In conclusion, technology and innovation are integral to the evolution of multinational business finance. Their influence on investment decisions, risk management, and the overall success of global enterprises cannot be overstated. Multinational corporations that embrace technological advancements are better equipped to navigate the complexities of a global market and gain a competitive edge. As we continue to witness rapid advancements in technology, it is crucial for businesses to stay ahead of the curve, utilizing innovation as a catalyst for financial growth and stability.

## REFERENCES

- Cantwell, J. (2009). Location and the multinational enterprise. *Journal of international business studies*, 40(1), 35-41.
- Cantwell, J. (2017). Innovation and international business. *Industry and Innovation*, 24(1), 41-60.
- Gao, W., & Chou, J. (2015). Innovation efficiency, global diversification, and firm value. *Journal of Corporate Finance*, 30, 278-298.
- Hartono, A., & Kusumawardhani, R. (2019). Innovation barriers and their impact on innovation: Evidence from Indonesian manufacturing firms. *Global Business Review*, 20(5), 1196-1213.
- Kim, I., Pantzalis, C., & Zhang, Z. (2021). Multinationality and the value of green innovation. *Journal of Corporate Finance*, 69, 101996.
- Kumar, S., & Liu, D. (2005). Impact of globalisation on entrepreneurial enterprises in the world markets. *International Journal of Management and Enterprise Development*, 2(1), 46-64.
- Li, X., & Chen, S. (2022). Modeling analysis of the correlation between duality innovation and multinational enterprise performance. *Frontiers in Psychology*, 13, 1000153.
- Van Der Waal, J. W., Thijssens, T., & Maas, K. (2021). The innovative contribution of multinational enterprises to the Sustainable Development Goals. *Journal of Cleaner Production*, 285, 125319.
- Venaik, S., Midgley, D. F., & Devinney, T. M. (2005). Dual paths to performance: The impact of global pressures on MNC subsidiary conduct and performance. *Journal of International Business Studies*, 36, 655-675.
- Zahra, S. A., & Garvis, D. M. (2000). International corporate entrepreneurship and firm performance: The moderating effect of international environmental hostility. *Journal of business venturing*, 15(5-6), 469-492.

**Received:** 02-Nov-2023, Manuscript No. BSJ-23-14169; **Editor assigned:** 03-Nov-2023, Pre QC No. BSJ-23-14169 (PQ); **Reviewed:** 17-Nov-2023, QC No. BSJ-23-14169; **Revised:** 22-Nov-2023, Manuscript No. BSJ-23-14169 (R); **Published:** 29-Nov-2023