

# Acer analysis



d ACER INC: TAIWAN'S RAMPAGING DRAGON In your opinion, which played a greater role in Multitech's growth strategy: Traditional Motivations or Emerging Motivations? Why?

Multitech's growth, according to the case study, is greatly attributed to venturing globally because of the far-sighted approach of its able CEO. The emerging motivations strategy was the key motivator for its move abroad. The era of rapid growth of communication systems, technology and logistics have made it imperative for companies to constantly expand and spread outside the home country to have a sustainable business model. Technology is a continuously evolving feature of today's world. Since newer and better technology is introduced rapidly, it makes the product life cycle of technological products very short. This is the reason why technology and IT companies have to strive to adapt and innovate constantly to remain alive. Since technology and processors were a significantly newer concepts at the time of multitech's expansion and it chose to focus on geographical areas where the concept was still fairly alien. They set the market and developed strong holding in these regions, which were ignored by the developed world. Once the company succeeded in these markets and gained a strong foothold, it made use of its expertise and resources to design a complex commercial product that could cater to the needs of the developed world. In emerging motivation strategy, foreign ventures are seen as an eventual step and not as an expansion move. One major factor that asserts its use of emerging motivations is making use of its low cost of production and supportive subsidies in the developing countries like Malaysia and Indonesia to provide cost efficient technology to the developed world, making it a quick success.

Should Shih allow the development of the Aspire to continue? Why or why not? Be sure to incorporate the innovation models in Chapter 5.

The main concern of the CEO is whether company's radical market changing invention, aspire, would actually be a good move or negatively affect the already dwindling profit margins (Harvard Business Review). However, if one studies the innovation strategies that can be adopted by a firm operation on a global scale, aspire would get a green signal for a number of reasons. As mentioned earlier, technology has a short product life cycle thus it is imperative to constantly innovate and update one's offerings. Transnational innovation model focuses on the development of innovations locally and then offering them globally. By collaboratively working with the subsidiaries the firm is in a better position to accommodate the unique needs of each region and gain an understanding of their capabilities. As Acer's important growth initiative, the management has to take into account the cost saving aspect which can be achieved through offshore assembly. The changing dynamics of business processes like working from home and rapid technological over throw due to more innovative inventions on the same lines makes it imperative that Acer's aspire should be launched at the right time of market entry and innovated and upgraded after short intervals so that it is hard for the competitive US market to keep up. It would-be a feasible move to make use of its expertise in Taiwan to streamline the engineering and production process reducing the chances of technological shortcomings and make use of its resources in the developed markets to increase sales through marketing and efficient distribution.

REFERENCES:

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