

Capital Structure in Innovation Exploitation and Delivery

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Abstract

The success of innovation rests on both innovation exploitation and delivery. How firms efficiently manage their capital to avoid bankruptcy and high transaction costs is the key to the success of most high-innovation firms in innovation exploitation and delivery. The main objective of this study is to investigate how two competing capital structure theories -- the pecking order theory (POT) and the static trade-off theory (STOT) -- may impact financial decisions related to innovation exploitation and the delivery stages of high-innovation industries.

Keywords: Innovation, capital structure, pecking order, static trade-off.