

FINANCIAL ORGANIZATION STRATEGIES IN KNOWLEDGE-BASED ENTERPRISES

MESUT ATASEVER

University of Usak, Faculty of Applied Sciences, Uşak, Türkiye
e-mail: mesut.atasever@usak.edu.tr
ORCID ID: 0000-0002-7189-7551

ERCAN ÖZEN

University of Usak, Faculty of Applied Sciences, Uşak, Türkiye
e-mail: ercan.ozen@usak.edu.tr
ORCID ID: 0000-0002-7774-5153

Email addresses of corresponding author: ercan.ozen@usak.edu.tr

Abstract: The purpose of this study is to examine the financial organizational strategies of knowledge-based enterprises operating in line with the dynamics of the knowledge economy and to reveal the impact of these strategies on corporate sustainability, investment attractiveness, and competitive advantage. Furthermore, we aim to analyze, both theoretically and practically, how these strategies differ from traditional financial management approaches. Knowledge-based businesses play a critical role in the new economic order, where factors such as digitalization, innovation, and intellectual capital are at the forefront. The financial organizational structures of these businesses are moving beyond classical capital-focused models and developing strategies centered on knowledge-based value creation.

The research begins with a theoretical framework and comprehensively analyzes the knowledge economy and financial organization literature. It then conducts a qualitative case study on three knowledge-based technology enterprises operating in Türkiye. Data have been collected through semi-structured interviews, company reports, and sectoral analyses, and will be analyzed using content analysis.

The financial organizational strategies of information-based businesses are not adequately defined in the rapidly changing digital environment, and traditional financial management models are inadequate to meet their needs. This creates uncertainty in strategic decision-making processes and threatens long-term financial sustainability.

The study examines the financial organizational strategies of knowledge-based enterprises in terms of capital structure, resource management, investment relations, and risk management. Technology-focused enterprises were selected as the sample. Case selection was based on criteria such as organizational size, sector, and development stage.

Knowledge-based businesses are rapidly expanding globally and becoming key drivers of economic growth. Their financial organizational strategies are impacting not only locally but also internationally, shaping investor behavior, public policy, and academic approaches.

Keywords: Knowledge Economy, Financial Organization, Intellectual Capital, Venture Capital, Sustainability

JEL Classification: O32, G32, M10, L26, Q01

1 Introduction

In today's business world, where the knowledge economy is increasingly dominant, knowledge-based enterprises stand out as key drivers not only of economic growth but also of innovative value creation. The activities of these enterprises are shaped by digitalization, innovation, and intellectual capital; they are developing a knowledge-based financial organization approach that departs from traditional capital-intensive management models. In this context, redefining financial organization strategies is strategically important for both corporate sustainability and investor confidence.

The literature emphasizes that knowledge-based businesses' financial management approaches are transforming classical models and creating a new area of competitive advantage (Teece, 2018). These innovative strategies, particularly emerging in critical areas such as capital structure, resource allocation, and investor relations, ensure the long-term sustainability of businesses and strengthen their competitive position in global markets. However, systematic academic analyses of the financial organizational strategies of knowledge-based businesses in emerging economies like Turkey remain limited.

This study aims to address this gap by comprehensively examining the financial organizational strategies of knowledge-based enterprises, supporting them with theoretical discussions and practical qualitative data. This study aims to contribute both to the academic literature and to provide a strategic roadmap for practitioners. In this respect, the study points to the need to rethink financial organizational models in line with the dynamics of the rapidly changing knowledge economy (Nonaka & Takeuchi, 2021).

2 Literature Review

The following literature outlines the financial organization of knowledge-based enterprises (STIs) operating in the knowledge economy, along the axes of capital structure, access to finance, investor relations, and risk management, along with the ways they differ from traditional models. Firstly, STIs' intangible investments, such as R&D and software, are more sensitive to external financing due to insufficient collateral and asymmetric information, reinforcing their tendency to turn to internal resources, equity, and hybrid instruments (Hall & Lerner, 2010). This finding is reinforced by empirical evidence pointing to the persistent nature of the “financing gap for intangible investments,” measured by European data (OECD, 2021). While the use of intellectual property (IP) as collateral is becoming increasingly widespread, measurement and valuation issues and regulatory capital requirements limit the scale of this channel, giving rise to alternative designs such as venture capital, corporate partnerships, and revenue-based financing during the scaling phase of STIs (OECD, 2021).

Investor relations (IR) literature has shown that strategic communication can indirectly reduce financing costs by increasing institutional investor following, analyst coverage, and market efficiency in low-visibility and young firms (Bushee & Miller, 2012). This effect is more pronounced in early-stage technology ventures through media coverage and stakeholder networking, and IR. It requires that STIs be designed not as a mere description but as an integrated capacity with management access and narrative architecture (Bushee & Miller, 2012).

In the Turkish context, ecosystem data suggests that financing conditions are resilient despite cyclical shocks, indicating a recovery in the number of deals and total volume in 2024 (while maintaining the seed-early stage weight); this increases the importance of a phased and source-diversified financing architecture for STIs (KPMG Turkey & 2025). On the other hand, while findings on the impact of intellectual capital (IC) on firm performance and value in Turkey are generally positive, they differ depending on the sector and measurement approach. This necessitates considering IC as a context-sensitive asset class embedded in financial organizational decisions (Atan & Tuncer, 2021). Consequently, the literature suggests that the financial organization of STIs differs from traditional models through (i) the appropriate instrument-governance match for intangible-intensive investments, (ii) the strategic design of investor relations, and (iii) the integration of IP/ IC into valuation and underwriting processes. This study aims to strengthen the theory-practice bridge by testing these divergences with qualitative cases in Türkiye.

3 Methodology

Methodology was designed with a qualitative research approach to in-depth examine the financial organizational strategies of knowledge-based enterprises. A multiple case study was chosen as the primary research method. Yin (2018) emphasizes that multiple case analysis is a

powerful method for testing theoretical propositions and generating new context-specific findings. In this context, three technology-focused knowledge-based enterprises operating in Turkey were selected using a purposive sampling method. Case selection was based on the following criteria: (i) operating within the dynamics of the knowledge economy, (ii) adopting a business model based on digitalization and innovation, and (iii) differing in terms of development stage and capital structure.

Three primary sources were used in the data collection process: (i) semi-structured interviews with business executives, (ii) publicly available company reports and investor information documents, and (iii) sectoral analysis reports and current media data. The interview form was designed and flexibly applied based on the dimensions of capital structure, resource management, investor relations, and risk management prominent in the literature. This allowed participants to express their own experiences in an authentic way (Kvale & Brinkmann, 2015).

The data obtained was analyzed using content analysis. Initially, inductive and deductive approaches were used in the coding process; in addition to preliminary codes derived from the literature, new themes emerging from field data were also incorporated into the analysis. Two researchers conducted independent coding throughout the coding process, increasing reliability, and discrepancies were resolved through discussion. Following case-based studies, the findings were integrated with comparative analysis, paving the way for a proposed model for the financial organization strategies of knowledge-based businesses.

4 Findings and Discussion

The financial organization strategies of the three knowledge-based enterprises examined within the scope of the research were evaluated within the framework of four basic dimensions: capital structure, resource management, investor relations and risk management.

4.1 Capital Structure

A common finding among the case companies is the predominance of equity and early-stage investment support. Due to their high concentration of intangible assets, accessing bank loans is challenging, leading startups to prioritize funding through venture capital, angel investors, and accelerator programs. This is consistent with Hall and Lerner's (2010) study, which emphasizes that the financing gap for knowledge-based businesses is particularly pronounced in the context of R&D investments.

Resource Management: It has been observed that businesses direct their financial resources towards reinvestment, R&D, and human capital development activities. This approach aligns with a perspective of long-term value creation rather than short-term profit maximization and reflects a strategic orientation centered on intellectual capital. Atan and Tuncer's (2021) findings demonstrating the positive contribution of intellectual capital to firm performance in Turkey support the research findings.

4.2 Investor Relations

To enhance investor confidence, exemplary businesses prioritize transparent reporting, regular briefings, and media visibility. This has been found to be critical for communicating not only financial performance but also a vision for future innovation. These findings align with Bushee and Miller's (2012) findings that investor relations broadens the investor base by increasing firm visibility.

4.3 Risk Management

The most significant risk factors for businesses focused on digitalization are market volatility, regulatory uncertainty, and rapid technological obsolescence. To manage these risks, businesses have been identified as developing diversified financing portfolios, actively utilizing public support programs, and engaging in strategic partnerships. This trend aligns with the findings of the OECD (2021) report, which emphasizes that knowledge-based businesses are turning to hybrid financial instruments for risk management.

Overall, the research demonstrates that the financial organizational strategies of knowledge-based businesses in Türkiye have evolved from traditional financing models to a more dynamic, flexible, and knowledge-driven structure. The findings are consistent with the theoretical literature and suggest that financial strategies need to be redesigned to ensure the sustainability of knowledge-based businesses in developing countries.

4 Conclusion and Recommendations

This study examines the financial organizational strategies of knowledge-based businesses operating within the dynamics of the knowledge economy and demonstrates how they differ from traditional financing models. The research findings indicate that the capital structures of these businesses generally rely on alternative financing sources such as equity, angel investment, and venture capital. Access to banking loans remains limited due to the concentration of intangible assets and the lack of collateral, leading businesses to turn to hybrid financial instruments and venture capital models. This finding aligns with the work of Hall and Lerner (2010), which highlights the financing gap in innovation-focused businesses.

In terms of resource management, knowledge-based businesses have been observed to prioritize R&D, human capital, and innovation activities, prioritizing long-term value creation. This approach aligns with the literature that considers intellectual capital a strategic resource (Atan&Tuncer, 2021). Allocating financial resources to knowledge generation and technological innovation, rather than directly to tangible assets, is emerging as a critical factor in achieving sustainable growth and competitive advantage.

Transparency in investor relations, regular information sharing, and communicating the innovation vision are among the common strategies of the companies studied. This is consistent with the findings of Bushee and Miller (2012) that investor relations increase firm visibility and investor confidence. In early-stage technology ventures in particular, investor confidence is established not only through financial reporting but also through strategic communication and corporate narrative development.

In the context of risk management, it has been determined that businesses face threats such as market volatility, regulatory changes, and technological obsolescence. In response, creating diversified financing portfolios, leveraging public support, and engaging in strategic partnerships are among the most prominent practices. The OECD's (2021) findings, which emphasize the shift towards hybrid financial instruments among knowledge-based businesses, also support these findings.

The findings of the study offer several contributions to both academic literature and practice. From an academic perspective, it has become clear that the financial organizational strategies of knowledge-based businesses are not limited to financial instrument selection but also require a holistic framework encompassing strategic management, investor relations, and risk management. From a practical perspective, several important recommendations have been developed, particularly for the entrepreneurial ecosystem in Türkiye:

i. For Policymakers: To facilitate access to financing for knowledge-based businesses, it is important to develop regulations that utilize intellectual capital and intellectual property rights as collateral. Such policies can provide enterprises with more effective access to traditional credit markets.

ii. For Investors: When evaluating the financial performance of knowledge-based enterprises, investors need to take into account not only classical financial indicators but also investments in innovation capacity, intellectual capital and human resources.

iii. For Businesses: Increasing resource diversity in financial organization strategies, actively evaluating public support programs, and developing long-term investor relations strategies are considered critical for sustainable growth.

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iv. For Academic Studies: Future research could examine the comparative financial strategies of knowledge-based businesses across different sectors to develop more comprehensive models based on cross-country comparisons. Furthermore, longitudinal studies supported by quantitative data could more clearly demonstrate the impact of financial organizational strategies on sustainability.

As a result, the financial organizational strategies of knowledge-based businesses are being reshaped in line with the dynamics of the knowledge economy. These businesses are deviating from traditional capital-focused financing models and developing strategies that center on knowledge-based value creation, prioritize investor confidence, and manage risks through diversified tools. This orientation is critical for both the transformation of the Turkish economy and sustainable growth in a globally competitive environment.

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