

# How Do Different Types of Mergers and Acquisitions Facilitate Strategic Agility?

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*Firms struggle to create an agile organizational system since it requires the development of three enabling capacities: to make sense quickly, make decisions nimbly, and redeploy resources rapidly. While the study of strategic agility is of growing interest as a prime means of organizational growth, the ways by which key mechanisms of growth such as mergers and acquisitions (M&As) help in building this capability remain elusive. This article highlights the differences between platform acquisitions and bolt-on acquisitions (most bolt-on acquisitions in high-technology industries can further be separated into product acquisitions on the one hand, and educational, technological and/or talent acquisitions on the other hand). These different forms of acquisitions can enhance strategic agility in distinct ways along different time horizons. When properly managed, acquisitions can enhance the gradual accumulation of the capabilities underlying strategic agility. This article presents a more complex picture of a non-linear reinforcing dual path between M&As and strategic agility. (Keywords: Agility, Mergers and Acquisitions)*

**C**isco Systems Inc., an iconic acquirer in the high-technology arena, has benefitted from engaging in different types of acquisitions. It diversified into home networking in 2003 with the platform acquisition of Linksys, which enabled the firm to access the lower-end product segment and expand its customer base to the consumer market. By contrast, in the preceding decade, Cisco Systems made dozens of technology-grafting acquisitions (e.g., the acquisition of Crescendo in 1993) to extend its product offering, and quickly leveraged them through effective operations and a powerful sales force. Nevertheless, a closer review reveals that Cisco is an exception, as many more acquirers—including technological powerhouse companies—tend to be much less successful.

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