Success in Global New Product Development: Impact of Strategy and the Behavioral Environment of the Firm - DTU Orbit (13/04/2019)

Product innovation and the trend toward globalization are two important dimensions driving business today, and a firm's global new product development (NPD) strategy is a primary determinant of performance. Succeeding in this competitive and complex market arena calls for corporate resources and strategies by which firms can effectively tackle the challenges and opportunities associated with international NPD. Based on the resource-based view (RBV) and the entrepreneurial strategic posture (ESP) literature, the present study develops and tests a model that emphasizes the resources of the firm as primary determinants of competitive advantage and, thus, of superior performance through the strategic initiatives that these enable. In the study, global NPD programs are assessed in terms of three dimensions: (1) the organizational resources or behavioral environment of the firm relevant for international NPD—specifically, the global innovation culture of the firm and senior management involvement in the global NPD effort; (2) the global NPD strategies (i.e., global presence strategy and global product harmonization strategy) chosen for expanding and exploiting opportunities in international markets; and (3) global NPD program performance in terms of shorter- and longer-term outcome measures. These are modeled in antecedent terms, where the impact of the resources on performance is mediated by the NPD strategy of the firm. Based on data from 432 corporate global new product programs (North America and Europe, business-to-business, services and goods), a structural model testing for the hypothesized mediation effects was substantially supported. Specifically, having an organizational posture that, at once, values innovation plus globalization, as well as a senior management that is active in and supports the international NPD effort leads to strategic choices that are focused on making the firm truly global in terms of both market coverage and product offering. Further, the two strategies—global presence and global product harmonization—were found to be significant mediators of the firm's behavioral environment in terms of impact on performance of global NPD programs.

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