Managing New Product Development Teams in a Globally Dispersed NPD Program

Globalization is a major market trend today, one characterized by both increased international competition as well as extensive opportunities for firms to expand their operations beyond current boundaries. Effectively dealing with this important change, however, makes the management of global new product development (NPD) a major concern. To ensure success in this complex and competitive endeavor, companies must rely on global NPD teams that make use of the talents and knowledge available in different parts of the global organization. Thus, cohesive and well-functioning global NPD teams become a critical capability by which firms can effectively leverage this much more diverse set of perspectives, experiences, and cultural sensitivities for the global NPD effort. The present research addresses the global NPD team and its impact on performance from both an antecedent and a contingency perspective. Using the resource-based view (RBV) as a theoretical framework, the study clarifies how the internal, or behavioral, environment of the firm—specifically, resource commitment and senior management involvement—and the global NPD team are interrelated and contribute to global NPD program performance. In addition, the proposed performance relationships are viewed as being contingent on certain explicit, or strategic, factors. In particular, the degree of global dispersion of the firm's NPD effort is seen as influencing the management approach and thus altering the relationships among company background resources, team, and performance. For the empirical analysis, data are collected through a survey of 467 corporate global new product programs (North America and Europe, business-to-business). A structural model testing for the hypothesized effects was substantially supported. The results show that creating and effectively managing global NPD teams offers opportunities for leveraging a diverse but unique combination of talents and knowledge-based resources, thereby enhancing the firm's ability to achieve a sustained competitive advantage in international markets. To function effectively, the global NPD team must be nested in a corporate environment in which there is a commitment of sufficient resources and where senior management plays an active role in leading, championing, and coordinating the global NPD effort. This need for commitment and global team integration becomes even more important for success as the NPD effort becomes more globally dispersed.

General information
Publication status: Published
Organisations: DTU Executive School of Business, McMaster University, John Molson School of Business
Contributors: Salomo, S., Keinschmidt, E. J., de Brentani, U.
Pages: 955-971
Publication date: 2010
Peer-reviewed: Yes

Publication information
Journal: Journal of Product Innovation Management
Volume: 27
Issue number: 7
ISSN (Print): 0737-6782
Ratings:
BFI (2010): BFI-level 2
Scopus rating (2010): SJR 2.035 SNIP 2.54
Web of Science (2010): Impact factor 2.079
Web of Science (2010): Indexed yes
Original language: English
DOIs:
10.1111/j.1540-5885.2010.00764.x
Source: orbit
Source ID: 286924
Research output: Contribution to journal › Journal article – Annual report year: 2011 › Research › peer-review