

The Role of Resources in NPD

An Investigation of Resource Leveraging on Resource Bases

Sanjay R. Sisodiya ^a, Jean L. Johnson ^b, and Stephen M. Wagner ^c

^a College of Business and Economics, University of Idaho, Moscow ID 83844
email: sisodiya@uidaho.edu

^b College of Business, Washington State University, Pullman WA 99164
email: johnsonjl@wsu.edu

^c Swiss Federal Institute Technology, Zurich Switzerland 9092
email: stwagner@ethz.ch

Abstract

In dynamic markets, firms often seek to develop products at a faster pace with lower costs. Important to the performance of product development, is the resource base managers have access to. Loosely defined, resources are the stocks, assets and capabilities of a firms that managers must identify, develop, protect, and deploy [1]. A model is proposed to explore resources in the context of new product development projects using resource flexibility and augmentation as mechanisms to identify and accumulate resources that enhance the ability of a firm to respond to opportunities and challenges within the new product development process. Resource flexibility is attractive characteristic for managers to emphasize as it describes the ability of a resource base to be used in a variety of product projects [e.g. 2]. Resource augmentation too is of interest, as it is based on the expansion of a particular resource base.

Yet, neither might be enough for a firm to be successful with product development. We argue that firms should not limit themselves solely to the accumulation of a resources base that has numerous strategic options, but must also leverage these said resources in order to attain performance outcomes. The role of resource leveraging is evaluated as a moderator to the resource flexibility and augmentation – performance link. The hypotheses are tested on a cross-industry sample of international firms and results indicate support for the role of resource leveraging as a moderator to the resource base and performance link.