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Florian Heinemann is a Research Assistant and Doctoral Student at the Entrepreneurship Center at Aachen University (RWTH). He holds a M.Sc. degree in Business and Economics from WHU Koblenz and has studied in Nice (France) and Stellenbosch (South Africa). Recently, he has spend one semester as a Visiting Scholar at the Snider Entrepreneurial Research Center at the Wharton School in Philadelphia (USA). His research interests focus on entrepreneurial marketing and innovation management. Before pursuing his academic career, he was a Co-Founder and Managing Director of the European activities of Abebooks Inc., which is the largest online marketplace for used, rare, and out-of-print books.

November 7th, 4:00 pm
Max Planck Institute of Economics
Entrepreneurship, Growth and Public Policy Group
Seminar Room V03

Organizing New Product Development Projects

Successful new product development (NPD) activities are essential for the long-term survival of companies in almost every industry. Apart from generating new product ideas, developing and commercializing these ideas are the main challenges in this area. In terms of the latter, designing the appropriate organizational structure to suit the needs of a specific NPD project appears to be a major lever to increase project performance. The present study analyzes (a) the direct impact of the various dimensions of product/project innovativeness and of the structural autonomy granted to the innovation team on project performance. Moreover, it examines (b) whether a strong fit between these two exerts a significant impact on performance.

Hypotheses were mainly derived using an organizational capability-based approach introduced by Christensen (2000). This framework classifies NPD projects based on their fit with an organization’s processes and values and moreover links this classification with the appropriate structural/organizational context. In order to test these hypotheses, data from a sample of 147 NPD projects from innovation-intensive industries were analyzed by means of the Partial Least Squares (PLS) structural equation approach.

Results confirm the hypothesized negative direct influence of the innovativeness dimensions on project performance. Moreover, the structural autonomy dimensions – (a) internal team autonomy and (b) autonomy towards the main organization – prove highly relevant. Concerning the fit between innovativeness and autonomy dimensions the study produces mixed results: the success of projects that require the generation of new processes/process-based knowledge can indeed be increased substantially by granting a high degree of autonomy for the individual team member. On the other hand, spinning out projects that serve markets, which differ significantly from a company’s home base, appears to exert only a minimal effect on the success of such projects.