

# **Organizing and Leading R&D Teams and the Effects on Firm Performance**

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The need for an effective and rapid product development process for a firm seeking to achieve a competitive advantage has been recognized. In particular, previous literature has found that organizing and leading R&D teams influences the timeliness of new product development. Drawing from a sample of biotechnology firms, this article empirically tests under which conditions different characteristics of new product development teams have a positive impact on R&D timeliness. Specifically, it is tested how much decision making, leadership, and dedication of new product development teams effect the timeliness of new product development. The empirical analysis suggests that particularly the independence of new product development teams on development timing and high degrees of knowledge integration in the corresponding firms influence timeliness of the new product development cycle. Furthermore, the study finds that higher levels of team dedication negatively influence development time. In addition, several moderating effects are found to influence the timeliness of new product development. For example, team dedication negatively moderates the relationship between knowledge integration and R&D timeliness. Implications are how much managers need to lead teams to accelerate development and how much team dedication managers need to give to new product development teams in biotechnology companies. Hereby, the article provides feedback for biotechnology companies how to design and work with cross-functional teams in order to achieve a high output and fast development.