

Unveiling Supplier's Collaborative Development Competence for Customer New Product Development

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Abstract: Supplier involvement in customer new product development has been beneficial in reducing lead time, development costs, and increase quality. Yet such collaborative development efforts have not always been successful. Boeing's recent development experience in the 787 program could substantiate that supplier involvement process should be carefully managed. Grounded upon the resource based view and knowledge based view of the firm, we propose supplier's collaborative development competence as a second-order latent construct that consists of supplier technical absorptive capacity, supplier long-term

commitment, and supplier-buyer inter-organizational communication routines. These three first-order constructs would be complementary by nature, and hypothesized as a whole to produce synergistic effects on the project performance and buyer's satisfaction. Data from 103 new product development projects were collected from Korean automotive, electronics, and machinery industries. Empirical results and managerial implications will be presented.

Keywords: New Product Development, Collaborative Development Competence