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Synergistic Effect of E&D and Export on Performance

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SYNERGISTIC EFFECT OF R&D AND EXPORT ON A FIRM'S ECONOMIC PERFORMANCE IN U.S. MANUFACTURING INDUSTRIES

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Purpose of the Study

- **Examine and determine the strategic effect of R&D and export strategy on the firm's diverse dimensions of economic performance, .**
- **Explore the interactive synergistic effect of R&D and export strategy on firm performance, after controlling for potential effect of other core functional business factors, such as...**
- **Determine the relative importance of strategic factors, individually and jointly, for improving business performance using a predictive analytic model.**



Samples and Data Collection

Samples: S&P Composite 1500 indices (above \$100 mil. In sales)
Finance related firms (SIC 6000-6999) and
Government & special service related firms (SIC 9000-9999)
were eliminated for their generalizability and reliability.

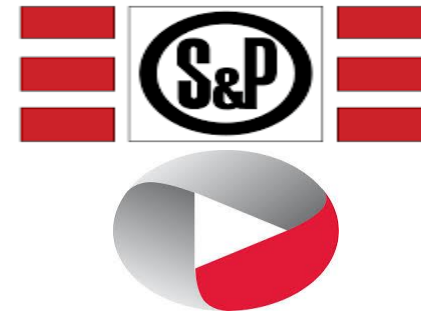
Availability in at least one of two variables
(R&D intensity and/or Exporting)

[550 Manufacturing firms.](#)

Sources: *S&P Research Insight* and *S&P Capital IQ*

Period: 5 years average (2015 through 2019)

To insure comparability across the different models being used in the study,
only firms with reasonably reliable data were included.



Major Findings:

This study demonstrates the significant and positive effect of R&D and export strategy/activity on the economic performance of leading U.S. manufacturing firms, particularly on their market-based performance (i.e., sustained growth rate, or SGR)

Furthermore, this study finds that the synergistic effect of R&D and exports on short-term performance (i.e., return on investment, or ROI) is positive in high-tech firms but negative in low-tech firms. However, **the synergistic effect on SGR is increasingly positive regardless of the level of technology.**