Motivation

- Definition: Conversion ability is the ability to translate a promising idea into a launched product.
- A crucial aspect of product development — e.g., only 18% of patented drug ideas make it to commercialization.
- Firms vary widely in their conversion ability — Why are some firms better at conversion than others?

Conversion Rates in Pharmaceuticals: 1980-1985

Our Thesis

- Firms with the highest conversion ability:
  - Focus on:
    - A moderate number of ideas in areas of importance and
    - Areas of expertise,
  - Deliberate on these ideas over a moderate amount of time.
- We challenge the current emphasis on speed to market and generating many ideas.

Empirical Context: Drug Development

Results: Speed and Number of Ideas

Results: Expertise and Importance of Ideas

Impact of Conversion Ability on Performance

Summary

- A strong focus on speed and generating many ideas may actually hurt firms, by lowering their conversion ability:
  - Speed can kill
  - More is less
  - Experience counts
  - Importance is important.
- Firms with the highest conversion ability are those that have:
  - Focus
  - Deliberation.
Work carried out with Rajesh Chandy, Brigitte Hopstaken, Om Narasimhan, forthcoming in *Journal of Marketing Research*