

ONLINE SUPPLEMENT

We ran additional analyses to account for the impact of firm size, industry type, and the time elapsed since CPC implementation, on the outcomes of product development. Since firm revenue is a good proxy for firm size, we collected sales data for 57 of the 71 respondent firms (for which data was available) from S&P's Compustat database. We used the three-year average sales data from years $t-1$, t , and $t+1$ (t is the CPC implementation year) to compute firm *sales*. For non-adopters, we calculated the average sales for the three years prior to the survey year. We incorporated $\log(\text{Sales})$ as a control variable in our regressions described in equations (1) - (4). Our analyses indicates that $\log(\text{Sales})$ is not correlated with other variables, and suggest that firm size does not have a significant impact on the regression estimates reported in Table 5.

Since industry clock speed dictates the frequency of new product introduction, it is possible that different industries may realize different levels of improvement from CPC implementation. We used industry clockspeed as a proxy to control for the industry type, and used a dummy variable to classify high- and low-clockspeed firms in our regression model. We classified sixteen firms, from the high-tech/electronics manufacturing, medical devices, and retail industries, into the high clockspeed category based on our analyses of the literature (Mendelson and Pillai, 1998). Our SUR estimation results indicate that industry type does not have an impact on the outcomes of CPC implementation, as reported in Table 5.

We also measured the time elapsed between CPC implementation and the time (year) of our survey. For CPC non-adopters, the time difference between development of the older and more recent products was used to measure time lag. We included "time lag" as an additional control variable in our SUR model described in equations (1) – (4). The regression results show no statistically significant associations between the time lag and our dependent variables.