

# Why Some Companies Get More From Their R&D Than Others

20/05/2026 6:00 pm IST

Two manufacturers. Same sector. Similar engineering teams. Comparable R&D budgets. Five years later, one has moved up the supply chain, secured new customers on the strength of its innovation story, and is drawing down funding it can evidence. The other is still doing R&D — good R&D — but can't quite point to where it's gone.

This isn't an unusual situation. It's one of the more consistent patterns in applied R&D, and it rarely comes down to the quality of the technical work.

## The spend doesn't explain the gap

The instinct when R&D isn't delivering is to look at the inputs — budget, headcount, equipment. But the companies that consistently convert R&D into competitive advantage aren't necessarily spending more. They're operating differently.

The difference tends to show up in things that aren't traditionally measured. Whether the people doing the R&D have enough time protected for systematic investigation, or whether every project gets pulled into firefighting. Whether leadership is genuinely engaged with the R&D agenda, or treats it as something that happens in the background and gets tidied up at year-end. Whether there's a clear line between what the company is trying to learn and what it's trying to build.

None of these are technical problems. But they determine how much traction technical work gets.

## R&D capability is not the same as R&D activity

Most companies that do R&D are reasonably confident about their capability — the expertise of their engineers, the rigour of their process, the novelty of what they're working on. What gets less attention is the organisational environment in which that capability operates.

A highly capable R&D team in a poorly structured environment will produce results that are hard to evidence, difficult to fund, and slow to reach the market. The same team in a well-structured environment — where R&D is systematically tracked, leadership is aligned, and the evidence is building in real time — moves faster and gets more from the same investment.

The two things are related but they're not the same. And measuring only one of them gives you an incomplete picture of where you actually stand.

## What this looks like in practice

Consider a company that has been doing genuine innovation for years — solving real technical problems, developing novel approaches, training engineers who grow into strong R&D leads. On paper, the R&D is happening. In practice, it's largely undocumented, poorly connected to the company's funding strategy, and invisible to anyone outside the engineering team.

When a grant application comes up, or an R&D tax credit claim is due, or a potential customer asks about innovation capability, the company struggles to evidence what it knows it has done. The work was real. The gap is in how it was

captured, structured, and communicated.

This is the most common reason good R&D underperforms commercially.

## What this means in practice

The companies that close this gap don't necessarily overhaul their R&D programmes. They get better at understanding where their readiness actually sits — which conditions are working, which are creating drag — and address the specific constraints rather than investing broadly in the hope that more activity produces better results.

That kind of structured assessment is now well-established in the most R&D-intensive sectors. It's increasingly relevant for any company that takes innovation seriously and wants to see it reflected in funding, positioning, and commercial outcomes.

The pattern has a name and a methodology behind it. We'll look at that in the next piece.

[Your R&D Results Depend on Your R&D Readiness — Not Just Your R&D Spend](#)

---