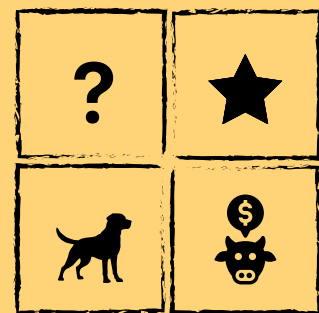


Manage Your Product Portfolio

BCG MODEL



The BCG Model, also known as the Growth Share Matrix, is a portfolio management framework that helps companies decide how to prioritize their different businesses and products.

Four Quadrants



Star

Given its market share, these products are rising stars and should be pursued.



Cash Cow

Products that have a large market share but aren't growing, but still generate cash.



Dog

With low market share and low revenue, these products are going nowhere fast.



Question Mark

Too many questions remain. High growth but low market share are a problem.

The Matrix



Areas of Application



Business. You can use this model to assess business unit performance.



Product. Most commonly used to assess products in a product portfolio.



Personal. You can assess your skill levels. Replace market share with need.

How To Apply The BCG Model

- 1 Choose the product:** from a product line or company portfolio.
- 2 Define the market:** determine the exact market of the product.
- 3 Calculate market share:** use revenue as the basis for calculation.
- 4 Determine growth rate:** get an estimate or from industry reports.
- 5 Place it on the matrix:** draw the circle for the product on the matrix.
- 6 Repeat:** repeat these five steps with all products in your portfolio.

Tips: Model In Practice

Milk cows efficiently

- Streamline operations
- Don't overexploit resources

Keep pets on short leash

- Monitor pets rigorously
- Lower exit barriers to sunset dogs

Increase the number of question marks

- Encourage risk-taking and learning
- Tolerate failure

Don't get blinded by stars

- Keep an eye on the competition
- Review and assess frequently

Complementary Tools

A

Ansoff Matrix

Identify opportunities to grow revenue for a business through developing new products or "tapping into" new markets.

G

GE/McKinsey Matrix

Use it to manage portfolios and prioritize investments across products and SBUs (Strategic Business Units).

A

IA Matrix

Innovation Ambition Matrix helps businesses differentiate between ideas that are part of their core offering or are a new expansion.

Examples

Apple



iPhone

Demand is very high, and its growth is uncertain.



MacBook

Market leader with high revenue and high market share.



iPad

A niche product that is neither growing nor losing market share.



Apple TV

Newer product, low profitability but high growth potential.

Coca Cola



Dasani

Growing market in the international market.



Coke

Dominates the soft drink market segment with style.



Diet Coke

Least profitable product, with low market share and demand.



Fanta

Huge potential with a new flavour introduction.

Samsung



Smartphones

Relative market share and growth are high.



Appliances

High-quality appliances maintain a high market share.



Printers

Growth in printers had stalled. Samsung sold off its division.



Smart watches

Market share is low, but it is growing, showing potential.

Google



YouTube

The most used video service on the planet is a star.



Google Ads

The main driver behind Google's growth and dominance.



Google Glass

An innovative product never gained need market acceptance.



Google Docs

Lower market share, but has a high potential to grow.



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