WORKSHEET + WORKED EXAMPLE

Where Should We Invest Next?

A provisional portfolio position and the evidence needed for an investment conversation.

30 minutes | BCG growth-share matrix

Use it in three moves

1. Define the market before placing an offering. Use market growth and relative market share, with sources and a period for both.

2. Explore its provisional quadrant. If the evidence is missing, leave the position open rather than guessing.

3. Bring cash needs, shared capabilities, customer obligations, and people into the investment decision. Name the evidence you still need.

Define the market and offering

Specify the customer, geography, period, and comparable market. Different boundaries can change the result.

Market growth · Evidence and threshold

Use growth of the defined market, not your product's sales growth. State the source, period, estimate, and high/low threshold chosen for this review.

Relative market share · Evidence

Divide your share by the largest competing firm's share in the same market. A ratio above 1 means a larger share than that competitor.

Where Should We Invest Next?

YOUR WORKING NOTES / CONTINUED

Choose a provisional quadrant

High growth/high share: Star. High growth/low share: Question mark. Low growth/high share: Cash cow. Low growth/low share: Pet or Dog. Keep unknowns unknown.

Check economics, dependencies, and people

Consider cash requirements, margins, capabilities, shared services, obligations, and alternatives before investing, maintaining, changing, or exiting.

Record the next evidence and owner

What could move the position or change the recommendation?

A question for me

What important obligation disappears when we reduce this offer to a quadrant?

See one way through

FICTIONAL WORKED EXAMPLE / NOT THE ANSWER TO YOUR SITUATION

Define the market and offering

Regional scheduling software for small service firms, measured over the last year. The free internal spreadsheet is not counted as a paid competitor.

Market growth · Evidence and threshold

Illustrative estimate: market revenue grew 8%; we call above 5% high for this discussion. Validate the estimate before allocating funds.

Relative market share · Evidence

Illustrative shares: us 12%, largest competitor 24%; relative share 0.5. The estimates use the same year and market boundary.

Choose a provisional quadrant

Question mark under the chosen definitions. That is a prompt for investigation, not an instruction to spend.

Check economics, dependencies, and people

The product shares support staff with our mature offer. A trial expansion must include that cost and a plan to protect existing service.

Record the next evidence and owner

Finance and service leads will validate market data and support capacity before the next portfolio review.

The thinking behind it

Portfolio choices change the work and security of people who serve existing customers. Put those consequences beside the growth case.

BCG's growth-share matrix examines market growth and relative market share. Its four portfolio categories are discussion aids, not automatic investment decisions. This original worksheet adds evidence quality and shared-resource effects; it does not forecast returns.

BCG · Growth-share matrix

Read You Have a Culture Problem by Nic Payne