Boston Consulting Group's Growth-Share Matrix

	High Share	***Low Share***
High Growth	***"Star"***	***"Question Mark"***
Slow Growth	***"Cash Cow"***	***"Dog"***

Boston Consulting Group (BCG) developed its "experience curve" in 1965-66 as an attempt to explain why some competitors outperform others. What are the "rules" for success?

According to BCG, success depends largely on the "impact of accumulated experience." For each cumulative doubling of experience, says BCG, total costs decline by about 20 to 30%, thanks to "economies of scale, organizational learning and technological innovation."

From BCG's experience curve came the "Growth-Share Matrix," a portfolio analysis tool that allows diversified companies to plot each of their business units on a grid. Using the grid, companies can compare each area's relative potential for investment. Companies can thus maintain a balance between "cash cows" and "stars," while identifying "question marks" (potential stars) for further observation and "dogs" to be put down.

Questions/Tasks for you:

1. *Plot each segment of your business on the BCG Growth-Share Matrix.*
2. *Do you have a comfortable balance of "cash cows" and "stars"?*
3. *Do you have any "dogs" that need to be put down?*

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