

BCG Matrix

Framework: BCG Growth-Share Matrix

Use for: Portfolio prioritization — categorizing business units, product lines, or initiatives by their market growth rate and relative market share to guide resource allocation decisions.

Time required: 30–60 minutes once you have the market data. Data gathering may take longer.

How to use this template

1. **Gather the data first.** You need two numbers for each unit you're analyzing: (a) the market's annual growth rate and (b) your relative market share (your share divided by the largest competitor's share). Without real data, the matrix is just labeling opinions.
 2. **Define the portfolio.** List every business unit, product line, or initiative you're evaluating. The BCG matrix only produces insights through comparison within a portfolio.
 3. **Set the thresholds.** The growth-rate threshold divides "high" from "low" growth (often 10% is used, but set it based on what's high for your industry). The relative market share threshold divides "high" from "low" (1.0x means you match the market leader; above 1.0x means you are the leader).
 4. **Classify and resource accordingly.** Stars get investment. Cash Cows are milked to fund Stars. Question Marks get a decision: invest to build share, harvest, or exit. Dogs are candidates for divestiture unless there's a strategic reason to keep them.
 5. **Revisit regularly.** Products move through quadrants over time. A Star can become a Cash Cow as the market matures; a Question Mark that doesn't receive investment tends to become a Dog.
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Portfolio being analyzed

Company / division: __

Date: __

High-growth threshold used: __% per year

High relative-share threshold: __ x competitor share

Step 1: List your portfolio units

Unit / product	Annual market growth rate	Your market share	Largest competitor's share	Relative share (yours ÷ theirs)
[Example: Product A]	12%	18%	22%	0.82x

Step 2: Classify each unit

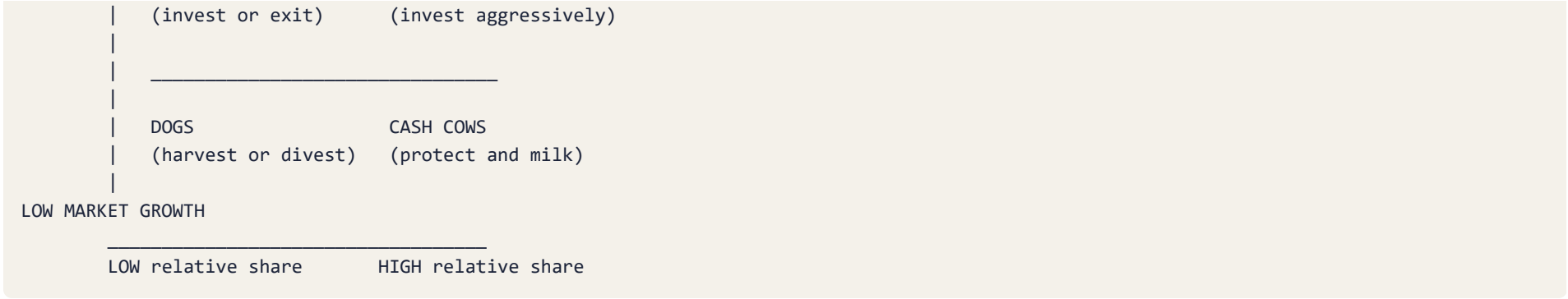
Unit	Quadrant	Rationale
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	
	☐ Star ☐ Cash Cow ☐ Question Mark ☐ Dog	

Step 3: The matrix

HIGH MARKET GROWTH

QUESTION MARKS

STARS



Place your units on the matrix above by writing their names in the appropriate quadrant.

Step 4: Resource allocation decisions

Unit	Current quadrant	Recommended action	Investment level
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	
		☐ Invest ☐ Hold ☐ Harvest ☐ Divest	

Portfolio health check

- **How many Stars do we have?** _____ (pipeline for future Cash Cows)
- **How many Cash Cows?** _____ (should fund investment in Stars and Question Marks)
- **How many Question Marks?** _____ (needs a clear invest-or-exit decision)
- **How many Dogs?** _____ (candidates for divestiture or rationalization)

Overall portfolio balance assessment:

The BCG Growth-Share Matrix was developed by Bruce Henderson at the Boston Consulting Group in 1968. Covered in the Frameworks & Mental Models Guide on biztechprimer.com.

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