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.

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
```

```
         |   (invest or exit)      (invest aggressively)
         |
         |   ________________________________
         |
         |   DOGS                  CASH COWS
         |   (harvest or divest)   (protect and milk)
         |
LOW MARKET GROWTH
        ___________________________________
        LOW relative share       HIGH relative share
```

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.