Strategic management unit 3 db

Business, Management

Strategic management Strategic management Business matrix is a tool that uses relative market share and growth rate aspects to examine the prospective of a business brand portfolio and advise further investment techniques. BCG matrix created by the Boston Consulting Group to examine the strategic position of the organization brand portfolio and its influence (Rothaermel, 2012).

Market growth rate matrix is very essential in enabling businesses determine a potential market for its brand. The market growth matrix implies higher or increased earnings and in certain situations profits but it consumes much money that is utilized as investment to activate further growth. In this case, organizational or business units that operates or run in rapid growth firms. In addition, the cash users are significant investing in only if they are required to increase, maintain, and grow business market share in the future (Rothaermel, 2012).

When this matrix is compared to BCG, it helps businesses to comprehend which brands the organization should invest in and which ones should not. When contrasted to BCG, it is not different because it advocates for investment in rapid growing markets where the firm has the potential to succeed. They are very compatible and can be used together since they are easy to perform and assist to comprehend the strategic position of firm’s portfolio. However, the problem with these matrices is that they do not incorporate the external factors that may affect the situation.

Reference

Rothaermel, F. (2012). Strategic management: Concepts. New York, NY: McGraw-Hill.