# Grand strategy matrix

Business

The model defines the situation of business through the market growth and their competitive position in the market. There are four quadrants that the business can be categorized into.

Quadrant I indicates that the firm is in rapid market growth and strong competitive position. Firm can continue concentrating on their current business. However, firm with excess resources may consider vertical integration. Quadrant II indicates that the firm is in rapid market growth and weak competitive position. Firm needs to evaluate their present approach to the market and identify why the current strategy is not effective.

The firm will then adopt the grand strategy options accordingly. Quadrant III indicates that the firm is in slow market growth and weak competitive position. Firm should decrease resources used by the particular business. Another way is that firm should diversify resources by investing in other businesses in order to expand. Quadrant IV indicates that the firm is in slow market growth and strong competitive position.

Firm have excellent position and can chose to diversify into more highly profitable areas. Advantage & Disadvantage

The model allows better implementation of strategy because of the intensified focus and objectivity. It conveys a lot of information about corporate plans in a simplified format. However, it may not be as simple as it seems, upon application to real life due to the unforeseen factors and also complications in the business world. In addition, the relationship between market share and profitability differs in different industries. Another issue about this model is that, the grand strategy options are mostly concern on cash related issues but not values of the firm.