Which of your businesses fund the future — and which drain it?

The ***growth-share matrix*** places each business by its relative market share and its market's growth rate, to show where cash comes from and where it should go.

WHY IT MATTERS

A portfolio managed as one number hides which units generate cash and which consume it. Henderson's matrix makes those flows visible, so investment can follow position.

BY THE NUMBERS

4
positions in the matrix (Henderson, 1970)

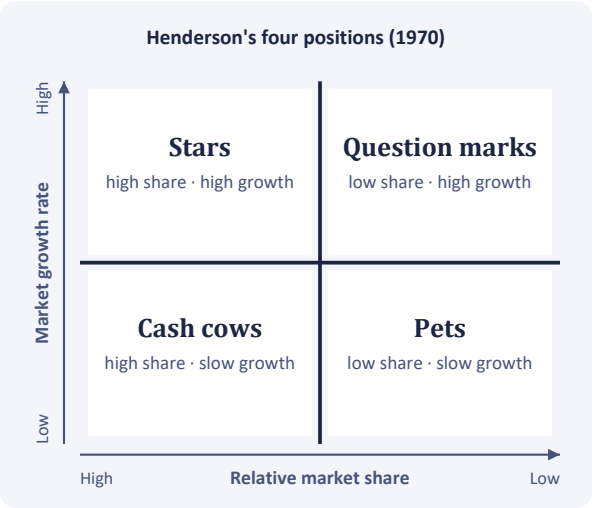
1970
Henderson publishes "The Product Portfolio"

~50%
of Fortune 500 companies used it by the early 1980s (Haspeslagh, 1982, as cited in Reeves et al., 2014)

4 to <2 yrs
average time in one quadrant, 1992 vs. 2012, in 75% of industries (Reeves et al., 2014)

HOW IT WORKS

Plot each business on two axes: relative market share and market growth rate (Reeves et al., 2014). Henderson (1970) named the four positions stars, cash cows, question marks and pets. Use the map to decide where cash should flow between businesses — and revisit it often, because positions now shift faster (Reeves et al., 2014).



WHEN TO USE IT

- When managing several business units or product lines
- At budget time, to decide where investment goes
- When a former star has stopped growing

Where Horizon12 uses it: HorizonAxis cites a BCG-style growth matrix.

GO DEEPER

Credit. Bruce Henderson, Boston Consulting Group (Henderson, 1970); revisited by Reeves et al. (2014).

Henderson's original term for the low-share, slow-growth position is "pets."

References

Henderson, B. (1970, January 1). *The product portfolio*. Boston Consulting Group. https://www.bcg.com/publications/1970/strategy-the-product-portfolio

Reeves, M., Moose, S., & Venema, T. (2014, June 4). *BCG classics revisited: The growth share matrix*. Boston Consulting Group. https://www.bcg.com/publications/2014/growth-share-matrix-bcg-classics-revisited

BOTTOM LINE

The matrix shows where cash comes from. Your strategy decides where it goes. Run HorizonAxis and HorizonNorth free, then book a Strategy Blueprint ($5,000–$9,500) to turn the gap into a signed-off plan.