

Growth Strategy - Ansoff Matrix

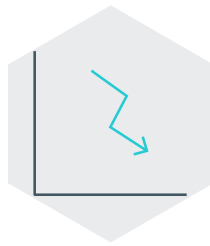
You would use this approach to develop your growth strategy.

Projected performance gains



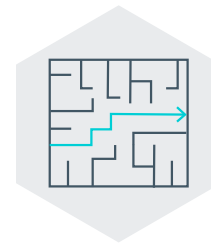
Improved

- process to replenish lineside parts and subassemblies



Reduced

- the risk of overproduction



Simplify

- the flow of production information – no computers or paperwork

What investment is needed to understand the concept?

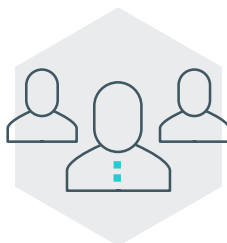
DIFFICULTY



Medium

Requires some reading around the subject and a structured approach.

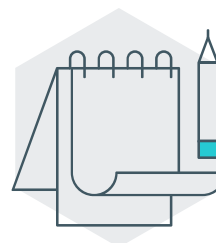
ACTIVITY



Team

Best results come from the management team working together.

EQUIPMENT



None

No equipment is needed in this activity.

Explanation of the concept


An Ansoff matrix is a tool which helps you see the possible growth strategies for your business.


Academic Igor Ansoff proposed that product marketing strategy was a joint work of four growth areas: market penetration, market development, product development, and diversification. When displayed visually, these four areas create the Ansoff Growth Matrix. The matrix shows the proposed strategy in each of the four boxes.


As an example, a product or product family may already be in production, but there may be an opportunity to start selling into a new market. The matrix would help to identify this opportunity and encourage exploration into this opportunity. Another opportunity may exist to sell a new product into an existing market.

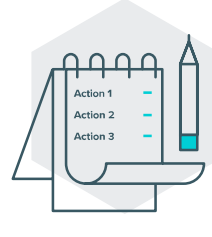


What action should I take?

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Gather together the senior team and / or your marketing team.
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Using the template explain the concepts behind the Ansoff Matrix.
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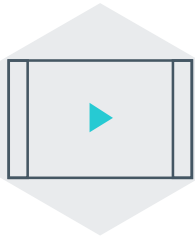
Use the matrix to identify potential additional sales opportunities.
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Develop a plan to investigate the potential growth opportunities.

Recommended resources



Francis, B. (2016). Ansoff Matrix in your Pocket. Create Space Independent Publishing Platform. ISBN: 978-1522847618



The Ansoff Matrix:
<https://www.youtube.com/watch?v=4dKliWrCywM>



[GC Business Growth Hub Factsheet 23: The Kano Model](#)

Glossary

Market Penetration: Selling existing products or services into your existing markets to grow market share. This is a low risk growth strategy.

Market Development: Selling existing products into a new market, such as a new supply chain or launching internationally.

Product Development: This growth strategy means launching a new product into an existing market, and is often undertaken by firms with a high market share.

Diversification: Launching new products into a new market is a high risk strategy

For more advice, case studies and additional factsheets visit: www.businessgrowthhub.com/manufacturing

