

# ANSOFF MATRIX TEMPLATE

## *MS-Excel, MS-PowerPoint and MS-Word Templates User Guide*

The Ansoff Matrix is used as an analysis tool to look at growth strategies by analysing markets and products. The Ansoff Matrix Excel template can be used to graphically represent the results of the analysis and uses only standard Excel features. It uses MS-Excel 2003 or a later version of Excel.

The Ansoff Matrix Word template can be used in any Word document and edited within Word. It uses MS-Word 2003 or a later version of Word.

The Ansoff Matrix PowerPoint template can be used in any PowerPoint presentation and edited within PowerPoint. It uses MS-PowerPoint 2003 or a later version of PowerPoint.

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## 1 INTRODUCTION

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The Ansoff Matrix is a tool that helps businesses decide their product and marketing strategy.

Ansoff Matrix focuses on the organization's present and potential products and markets. It allows the company to identify four different growth strategies. The output from the Ansoff Product /Market matrix is a series of suggested alternative product and market strategies.

The Ansoff matrix provides four different strategy options:

- **Market Penetration** is the strategy where the company seeks to achieve growth by increasing the market share of existing products in existing markets. This can be achieved by aggressive competitive pricing strategies, promotion and advertising, loyalty clubs/bonuses to encourage repeat purchasing and increased selling resources. This is the least risky strategy.
- **Market Development** is a strategy where the company seeks to increase growth by marketing and selling existing products in new markets. New markets may relate to new market segments or new geographic areas. It may involve using new distribution channels or different pricing or packaging strategies to attract new customers. The risk associated with entry into new markets is higher than a market penetration strategy.
- **Product Development** is a strategy where the organization seeks growth by offering new products in existing markets. This strategy seeks to capitalize on the relationship with existing customers by extending the range of products sold to these customers. A new product development strategy normally carries a higher risk than market penetration.
- **Diversification:** This strategy involves developing new products for new markets. It is typically high risk and requires significant investment and as such can be a severe drain on cash. It is most frequently deployed when the organization has a very mature product range and is operating in a very unattractive market segment.

The Ansoff Matrix Excel template graphically represents the results of the analysis; the MS-Word template facilitates presentation of the results of the analysis in a report/business plan or other MS-Word document, while the PowerPoint version is suitable for slideshow presentations.

## 2 USER INSTRUCTIONS MS-WORD

The MS-Word document facilitates presentation of the results of the analysis in a report/business plan or other MS-Word document.

**Ansoff Matrix for \_\_\_\_\_ Date \_\_\_\_\_**

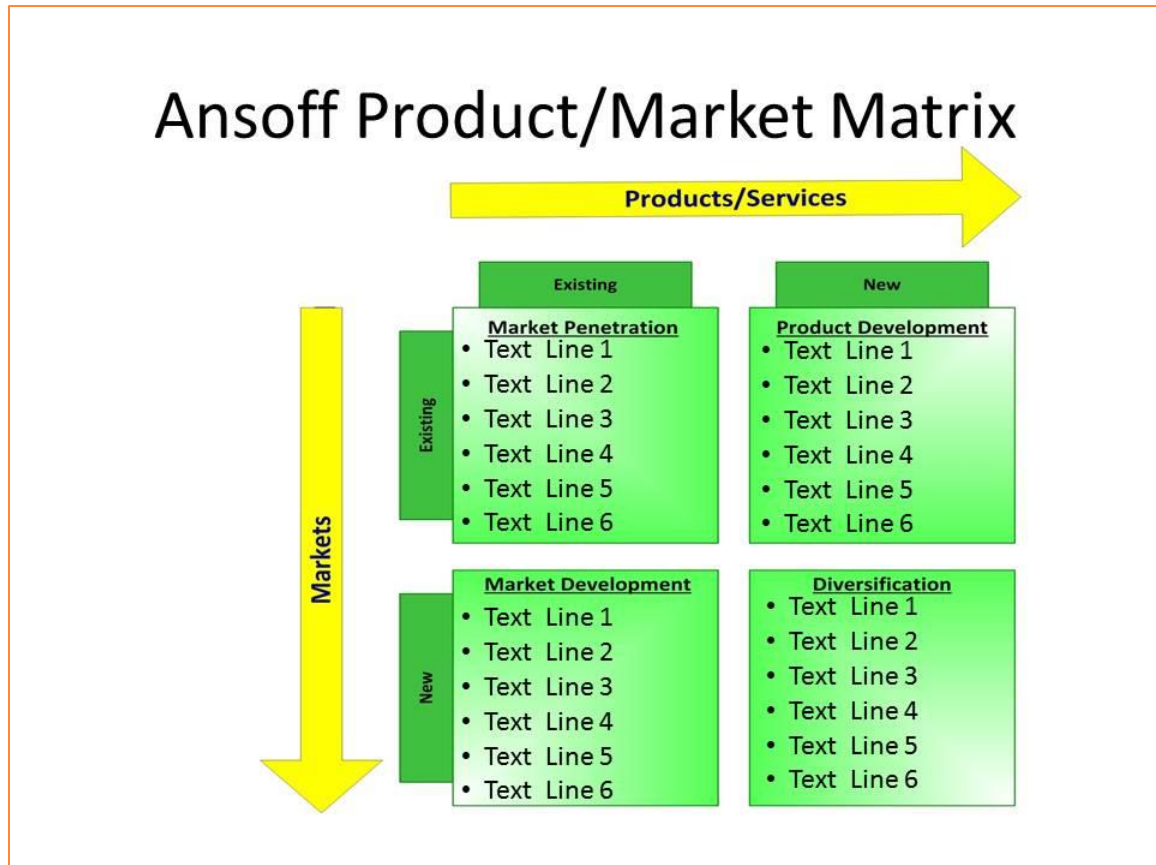
		Markets	
		EXISTING	NEW
Products	EXISTING	<p><b><u>Market Penetration</u></b></p> <ul style="list-style-type: none"> <li>• Entry 1</li> <li>• Entry 2</li> <li>• Entry 3</li> <li>• Entry 4</li> <li>• Entry 5</li> <li>• Entry 6</li> <li>• Entry 7</li> <li>• Entry 8</li> <li>• Entry 9</li> <li>• Entry 10</li> </ul>	<p><b><u>Product Development</u></b></p> <ul style="list-style-type: none"> <li>• Entry 1</li> <li>• Entry 2</li> <li>• Entry 3</li> <li>• Entry 4</li> <li>• Entry 5</li> <li>• Entry 6</li> <li>• Entry 7</li> <li>• Entry 8</li> <li>• Entry 9</li> <li>• Entry 10</li> </ul>
	NEW	<p><b><u>Market Development</u></b></p> <ul style="list-style-type: none"> <li>• Entry 1</li> <li>• Entry 2</li> <li>• Entry 3</li> <li>• Entry 4</li> <li>• Entry 5</li> <li>• Entry 6</li> <li>• Entry 7</li> <li>• Entry 8</li> <li>• Entry 9</li> <li>• Entry 10</li> </ul>	<p><b><u>Diversification</u></b></p> <ul style="list-style-type: none"> <li>• Entry 1</li> <li>• Entry 2</li> <li>• Entry 3</li> <li>• Entry 4</li> <li>• Entry 5</li> <li>• Entry 6</li> <li>• Entry 7</li> <li>• Entry 8</li> <li>• Entry 9</li> <li>• Entry 10</li> </ul>

The Ansoff Matrix Word template can be copied and pasted into any Word document.

Once it is pasted into the desired location in the document, it can be edited, as any standard MS-Word table would be. Simply type the various entries in the appropriate cell. The individual cells can be formatted by deleting the entries not used. The unused bullets can be disabled by using the standard formatting option in MS-Word to change the “bullets” option to “none”.

### 3 USER INSTRUCTIONS MS-POWERPOINT

The MS-PowerPoint version can be included in any slideshow presentation..



The Ansoff Matrix PowerPoint template can be copied and pasted into any presentation slideshow.

Once it is pasted into the desired location in the slideshow, it can be edited, as any standard MS-PowerPoint slide would be. Simply type the various entries in the appropriate cell by replacing any or all of the six lines of dummy text. The individual cells can be formatted by deleting the dummy text not used.

When pasting the slide into an existing presentation use the “keep destination theme” to use the existing formatting and coloring of the slideshow.

## 4 USER INSTRUCTIONS MS-EXCEL

The Excel model has a simple Push Button Menu system at the top of the Workbook in cell B2. (See below) The following general guidelines should be followed. Cells in Green are intended for User Input. Cells in Black are calculated and should not be altered by the user. On first use, it is recommended that the Menu Options be used in the sequence in which they are numbered, 1, 2, 3, etc. On subsequent use, the options can be selected as required to make amendments to the data originally entered.

<b>1. Enter Product/Market Strategies Names</b>
<b>2. Enter Market Diversity Ratings</b>
<b>3. Enter Product Diversity Ratings</b>
<b>4. Go to Ansoff Product/Market Matrix Chart</b>
<b>5. Print Input Data</b>

1. Enter the **Product/Market Strategies Names**. Up to 10 Strategies may be entered

<b>Product/Market Strategies</b>
<b>Strategy 1</b>
<b>Strategy 2</b>
<b>Strategy 3</b>
<b>Strategy 4</b>
<b>Strategy 5</b>
<b>Strategy 6</b>
<b>Strategy 7</b>
<b>Strategy 8</b>
<b>Strategy 9</b>
<b>Strategy 10</b>

2. Enter the **Market Diversity Rate** compared to the current status for each Strategy.
3. Enter the **Product Diversity Rate** compared to the existing product portfolio for each Strategy.

The data for **Market Diversity Rate and, Product Diversity Rate** should be based on a scale of 1 to 9 where

1 = Very little change in either current target market or product range

5 = moderate change in either target market or product range

9 = Extreme diversification for the current markets or existing product range

Market Diversity Rate 0 - 9	Product Diversity Rate 0 - 9
1.5	5.5
5.5	1.0
2.5	1.0
8.0	3.5
3.5	3.0
8.0	8.0
5.5	5.5
2.0	4.0
6.0	8.0
2.0	8.0

Data may be entered using a single decimal point, e.g. a Market Diversity of 3.5 can be used.

**Note:** If you use exactly the same Market and Product rates Excel will “hide” one bubble behind the other. This is a standard feature of Excel and is not specific to the template.

In such situations there are two alternative options:

1. Consider if the two strategies are really two *different* strategies if they have the same market and product diversification.
2. Change one of the ratings slightly so that both bubbles will be partially visible, e.g. have on Market Diversity equal to 3.0 and the other at 3.2, rather than both at 3.0.

When the data is entered, The **Ansoff Product/Market Matrix** chart is automatically created.

### Ansoff Product/Market Matrix

