HOW TO CREATE A BCG MATRIX IN EXCEL

source: https://alesandrab.wordpress.com/2014/09/08/how-to-create-a-bcg-matrix-in-excel/

SEPTEMBER 8, 2014 | ALESANDRA BLAKESTON

Having used this type of chart a lot recently, I thought it was time I had a decent version in Excel. In case you are not aware a BCG matrix, also known as a growth-share matrix is a management planning tool. It is used to portray a company's / SBU's product portfolio on a quadrant showing relative market share (horizontal axis) and speed of market growth (vertical axis). It basically shows you the potential of your company's products.

A BCG matrix is basically a bubble chart with a few tweaks. When complete, it should look something like this:



You can download my sample chart here.

STEP 1: SET UP YOUR DATA

To be able to plot a BCG matrix successfully, you need the following data: market growth, market share, market share of the largest competitor, and relative market share. You can calculate the last by dividing the market share / market share of the largest competitor for example:

=C2/D2

A sample data table might look like this:

	А	В	С	D	E
1	Products	Market growth	Market share	Market share largest competitor	Relative market share
2	Product 1	3%	12%	22%	0.55
3	Product 2	25%	22%	43%	0.51
4	Product 3	7%	31%	14%	2.21
5	Product 4	27%	55%	21%	2.62
6	Product 5	9%	5%	8%	0.63

STEP 2: CREATE A BUBBLE CHART

Highlight the first three columns of your table, in my case cells A1:C6. Then click on Insert > Other Chart > Bubble Chart.

X	- 19 · (* ·	12 1 2 14 :	å ₹			B	ICG matrix.xlsx + Microsoft Exce
F	ile Home	Insert Pag	ge Layout Formula	las Data C	Camera tool Review	w View	Developer
1 mm	*	Art	hapes SmartArt Scree		Line Pie Bar	Area Scatte	er Other Charts
	Tables		Ilustrations		Charts		Stock
	A1	• (*	fx Products				
1	A	В	С	D	E	F	< +++++ 00++9+ 111
1	Products	Market growth	Market share	Market share largest competitor	Relative market share		Surface
2	Product 1	3%	12%	22%	0.55		
3	Product 2	25%	22%	43%	0.51		Doughnut
	Product 3	7%	31%	14%	2.21		00
	Product 4	27%	55%	21%	2.62		
	Product 5	9%	5%	8%	0.63		Bubble
7 8 9							3
10							Rada Bubble
11							Resembles a scatter
12 13							compares sets of th instead of two. The
13 14							determines the size
14							marker.

Your bubble chart will look something like this:



delete the title, legend and horizontal gridlines by clicking on them and pressing the delete key.

STEP 3: CONVERT THE CHART TO A BCG MATRIX

Right click on the x axis and then choose "Select Data". In the pop up menu that appears, click on the "Edit" button.

Select Data Source	
Chart data range: ='BCG Matrix'!\$A\$1:\$C\$6	
Switch F	Row/Column
Legend Entries (Series)	Horizontal (Category) Axis Labels
Add	Edi <u>t</u>
Market growth	Product 1
	Product 2
	Product 3
	Product 4
	Product 5
Hidden and Empty Cells	OK Cancel

You have to change the series X values. Highlight the Relative Market Share values. In this example we need to change it from column A to column E.

Market growth



It should say:

='BCG Matrix'!\$E\$2:\$E\$6

Your BCG Matrix chart will update. Now, all of the values should be correct.



Right click on the X axis and then choose format axis.

Format Axis	
Axis Options Number Fill Line Color Line Style	Axis Options Minimum: <u>Auto</u> Maximum: <u>Auto</u> Major unit: <u>Auto</u> Minor unit: <u>Auto</u> Minor unit: <u>Auto</u>
Shadow Glow and Soft Ed 3-D Format Alignment	Image: Second
	Axis labels: Next to Axis Vertical axis crosses: Automatic Axis value: 2 Maximum axis value
	Close

Select "Values in reverse order". Then change where the "Vertical axis crosses" to have an Axis value of 2. This value will change depend upon your data.

Without closing the formatting pop up menu box, click on the Y axis. You can then adjust the minimum and maximum values to "0" and "4". The Axis value this time should be 0.2. Again, this value will change dependent on the data added.

F	format Axis	
	Axis Options	Axis Options
1	Number	Minimum: O Auto O Eixed 0
1	Fill	Maximum: O Auto O Fixed .4
L	Line Color	Major unit: Auto Fixed 0.05
L	Line Style	Minor unit: Auto Fixed 0.01
	Shadow	Values in reverse order
	Glow and Soft Edges	Logarithmic scale Base: 10 Display units: None
	3-D Format	Display units: None Show display units label on chart
	Alignment	Major tick mark type: Outside Minor tick mark type: None Axis labels: Next to Axis
	Horizontal axis crosses: Automatic Axis value: 0.2 Maximum axis value	
		Close

You can also change the number format using the Number tab to "Number" with 2 decimal places.



You can then press the close button. Your chart should now look like this:

