HOW TO CREATE A BCG MATRIX IN EXCEL

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

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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	C 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.

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3	Product 2	25%	2	2%	43%		0.51				Doughn	ut	
4	Product 3	7%	3	1%	14%		2.21				A	29	
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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> Fixed 0.5 Minor unit: <u>Auto</u> Fixed 0.1
Shadow Glow and Soft Edges 3-D Format Alignment	✓ Values in reverse order Logarithmic scale Base: Display units: None Show display units label on chart Major tick mark type: Outside Minor tick mark type: None
	Axis labels: Next to Axis Vertical axis crosses: > O Automatic Image: Axis value: 2 Image: 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.

Format Axis	
Axis Options	Axis Options
Fill Line Color Line Style Shadow Glow and Soft Edges	Maximum: Auto Fixed .4 Major unit: Auto Fixed 0.05 Minor unit: Auto Fixed 0.01 Values in reverse order Logarithmic scale Base: 10 Display units: None T
3-D Format Alignment	Show display units label on chart Major tick mark type: Outside Minor tick mark type: None Axis labels:
	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:

