Category

Strategy

Growth Strategy Playbook (Ansoff Matrix in Action)

A working method for using the Ansoff Matrix to generate, score, and sequence market penetration, product development, market development, and diversification growth bets.

- Beginner
- Beginner
- Template Included

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Overview

A practical way to generate growth options across the four Ansoff Matrix quadrants, score them on risk and return, and sequence them into a resourced three-year growth roadmap.

Which Ansoff quadrant should get the majority of our growth budget?

There's no universal answer, but most healthy growth portfolios weight market penetration and the two moderate-risk quadrants (product development and market development) at 60-70% combined, reserving the remainder for one or two diversification bets. The right mix depends on how much headroom is left in your existing market.

Isn't diversification just a bad idea in general?

Not inherently — some of the most valuable growth in corporate history came from diversification — but it has the highest failure rate of the four quadrants because it requires building new capability and new market knowledge at once. The playbook doesn't rule it out; it insists you size and resource it honestly rather than treating it like a penetration-level bet.

How do we score "capability fit" without it just becoming a subjective guess?

Ground it in specific, checkable questions: does the team already have the skills, the customer relationships, and the operational infrastructure this option requires, or would all three need to be built from scratch? An option requiring all three built from zero should score low on capability fit regardless of how attractive its market opportunity looks.

Can a single company run separate Ansoff matrices for different business units?

Yes, and for a diversified company it's the better approach — build one matrix per business unit to generate unit-specific options, then roll the individually scored options up into a company-wide portfolio allocation view so leadership can see the mix across the whole business, not just within one unit.

What's a realistic timeframe to see results from a market-development bet?

Expect 9-18 months to reach a meaningful revenue contribution for most market-development bets, since you're relying on an already-proven product but still need to build new market presence, relationships, or distribution — faster than diversification, slower than penetration.

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