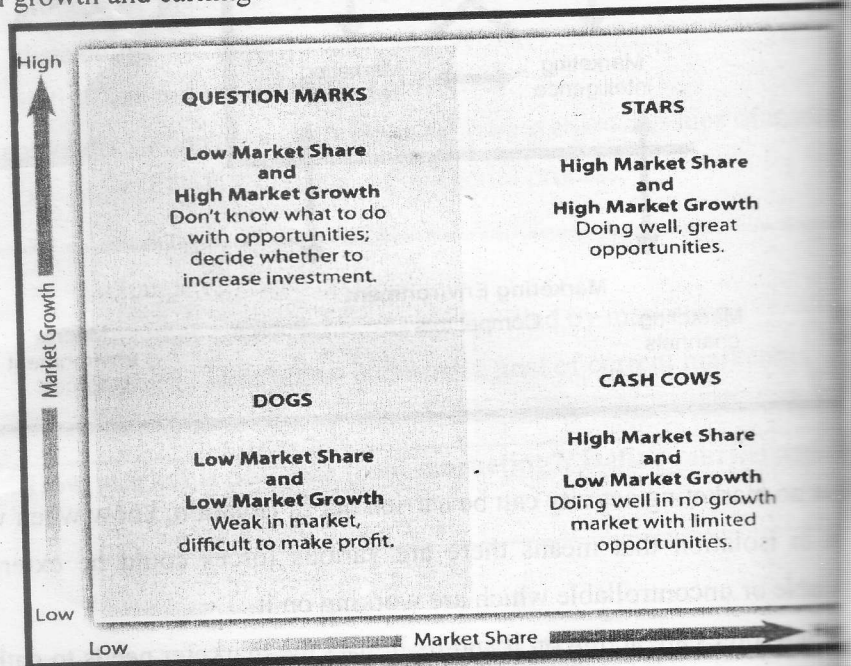


1.30 Boston Consulting Group (BCG) approach

বোস্টন কনসাল্টিং গ্রুপ অ্যাপ্রোচ

The BCG Strategic Portfolio Model is a method of approaching and analyzing marketing and growth developed by the Boston Consulting Group. The primary principle of the BCG group's strategy is that experience in a market results in reduced costs and higher profits. This model uses the BCG marketing matrix to classify business enterprises based on their potential for profits and growth. It also applies mathematical formulas to business enterprises or products to estimate potential growth and earnings.



Cows, Children, Stars and Dogs:

The BCG growth matrix part of the model classes each product as a "problem child," "star" or "dog." "Cash cows" represent product lines that generate income at low cost to the company, leaving plenty of money to put to other product lines that may bring in some profits but require more investment to gain market share. These are products with the potential to become future "cash cows" if the company invests in them wisely.

"Problem children" do not generate cash flow and require more investment to gain potential to grow. These are the products to watch, as they can eventually