



# HOW TO USE A SIMPLE 2X2 MATRIX TO Formulate Growth Strategies for Your Business

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Free PDF - by Peter Wilson

## Visualize Your Options

Knowing how and when to scale your business can be a challenge. Using a simple two-by-two matrix is an effective tool for visualizing your options formulating a strategy for growing your business.

A two-by-two matrix a square with four boxes inside of it. The vertical axis on the left side is for your products and services. The top of the axis is labeled “New Products and Services,” and the bottom of the axis is “Current Products and Services.” Along the bottom horizontal axis of this box there are “Current Markets, then beside that are “New Markets.”

To finish the two by two matrix divide the box into four squares with a vertical line down the middle of the box and a horizontal line across the middle of the box. See the image on the next page:

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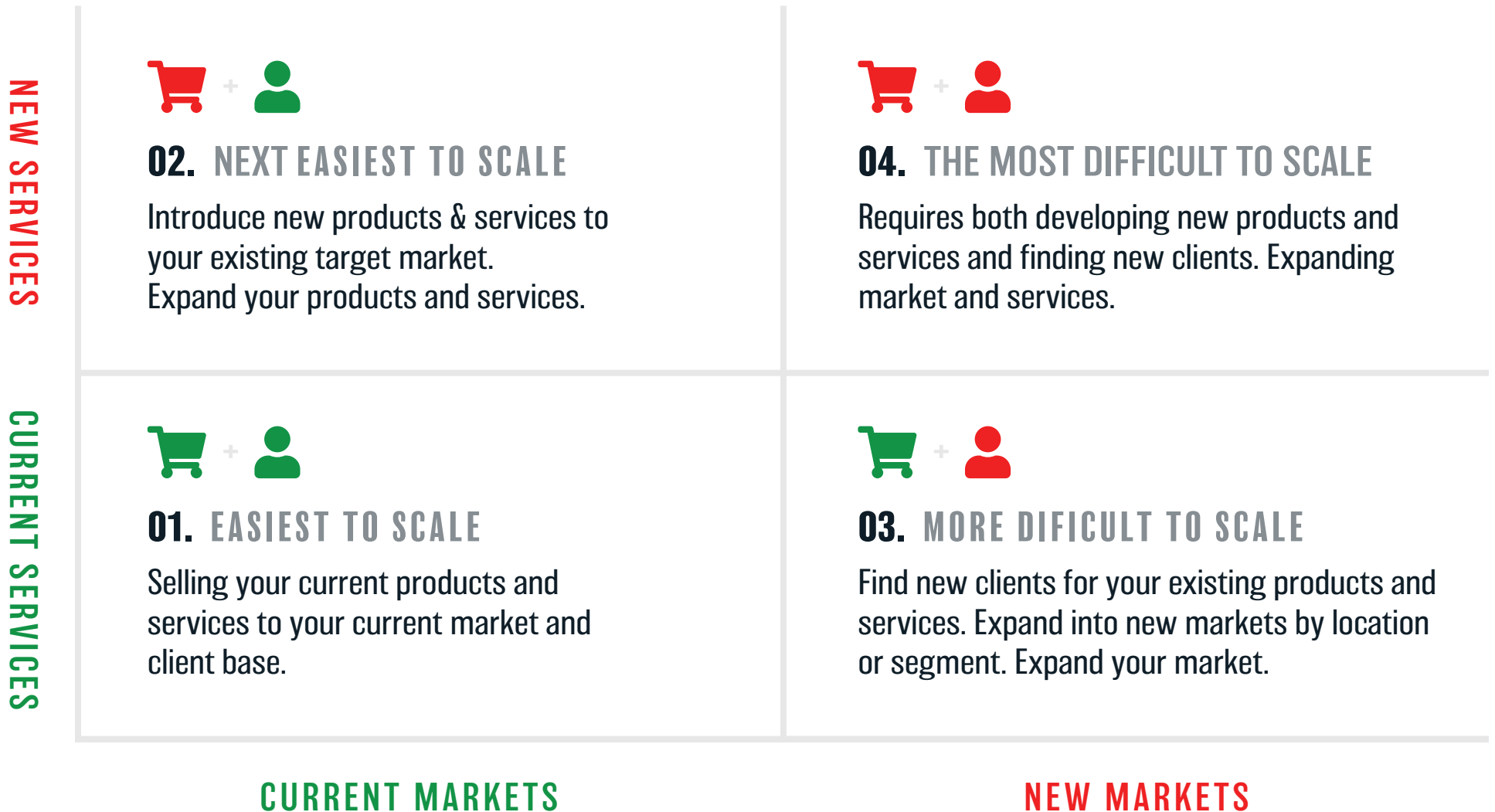
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## Understand Your Situation

The two by two matrix gives you a frame of reference for understanding the best way to scale your business, given whatever the situation is in your business.

Turn to the next page to learn how to use This 2x2 matrix to formulate growth strategies for your business.





### **Opportunity #1**

- Current Markets & Current Products & Services

The first box to look at, which I believe is the easiest to go after, is the box in the lower-left corner. Selling your current products and services to your current market, which includes your current clients. Two ways to grow here are to sell more of your existing products and services to your current clients and find new clients that are similar to your existing clients.

For example, my company (bizmktg.com) sells marketing services to dentists, however, they don't all currently use our Social Marketing service. So I should offer that service to the dentists who aren't already using it.

The second way to grow is to find new dentists who are not currently clients and offer them our services. We already sell our services to dentists, so we know it works for them, we just need to find more new dentists.

Opportunity #1 is where most owners spend the majority of their time to scale their business. The nice thing about this is it's the easiest. You already know the target audience that you're going after, you know the target market and you know the products and services. It just may take some additional advertising and marketing to reach those customers to grow. So you're not really risking a whole lot to pursue this strategy.

One of the drawbacks of Opportunity #1 is that your business may have tapped out all the opportunities in

that space. If you have a limited range of products and services, perhaps your clients are already buying everything you offer. Another limiting factor is the number of potential clients. In our case, we may have already signed up all the dentists in our market.



### **Opportunity #2**

- New Products & Services For your Existing Market

The next easiest growth strategy, in my opinion, is the lower-left corner: offering new products and services to your current market or your current client. In this case, you're thinking about your current market, your current client base, and you're trying to identify products and services that they need that are complementary to the services that they're already buying. For example, about four years ago we found that Social Marketing, especially Facebook advertising, Instagram advertising seem to be affordable and effective. However, we had not been selling that service.

We added Social Marketing to our suite of services. It was a new service offering for us so it did take us some time and resources to develop and bring to market. Once developed, we were able to offer this new service to our current market, even to our existing client base. For example, we offered that service to dentists who weren't using this program. They took us up on our offer and we grew our business.



### **Opportunity #3**

- New Markets for your Products and Services

The third opportunity to scale a business is to look at new markets for your existing products and services. It's the lower right box of the matrix. You're considering new markets for your existing products and services. Sticking with my dentist example, we may only be targeting dentists in a certain geographic market. We may try to find dentists in a different location, outside of the markets we've already gone after.

Another possibility is to consider another tangential market.. We're serving dentists, maybe we should be targeting other types of healthcare professionals that are in elective or cosmetic services such as orthodontists and plastic surgeons.

The challenge with this strategy is that there are some unknown factors. You're going to have to do your homework and figure out if the new market you're going after really needs the products and services you're marketing to them. Going after a new market will likely require new marketing strategies and tactics and an investment in time and resources to optimize your results.

The upside of Opportunity #3 is that you're not spending money on redeveloping your products and services. The beauty of this strategy is the fact that you don't have to spend money retooling your products.



### **Opportunity #4** - New Products & Services to New Markets

The last quadrant is new products and services to new markets. This is clearly the most difficult one for a business to execute because you're both developing new products and services and you are also finding new markets. The reason you would want to consider this growth strategy of going after new products and services and new clients is if you are looking to diversify your revenue streams. It's worth considering if you have a business that's scaled up to a certain size and you have a great team on hand.

**Now Its Your Turn to give it a try.** Turn to the next page.

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