

PORTFOLIO PERSPECTIVE: THE BUSINESS PORTFOLIO



INTRODUCTION

Questions to Consider

- › What steps can you take to fully understand the market you're involved in?
- › What specific service do you offer?
- › What endeavours bring in the most revenue?

As a first step, clear strategies require a *fresh look at the collection of businesses being pursued* and the *entire system of value added selective*. This perspective is the first step in developing an understanding that can lead to selective action. The era of businesses attempting to be all things to all people in all places at all times is well and truly over

Guidance

The next step in looking at the diagnosis of a business is looking at the portfolio level. The two primary types of portfolio are:

- › **The Competitive portfolio**
 - › Based on how strong the market is, and the business's position within that market
 - › BCG, General electric matrix, or growth share matrix
 - › Breaks down the business into constituent parts
- › **The Business Process Portfolio**
 - › Defines the business value chain
 - › Looks at costs and finance
 - › Allows for the beginning of business optimization strategies

These portfolios allow you to set the right objectives and design the right kind of internal organization. Once you have the perspective from the portfolios, you can analyse the market, growth of the industry, and competitors. This can also allow you to divest from weaker customers and markets. Make sure you only spend time on worthwhile activities.