

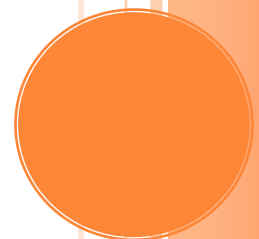
SPACE MATRIX EXCEL TEMPLATE

User Guide

The SPACE matrix is a strategic planning tool that can be used as a basis for other analyses such as SWOT analysis or Boston Consulting Group (BCG) Matrix analysis. It is used to determine what type of a strategy assessment company should undertake. The template facilitates the data input and analysis in a structured framework and automatically generates the SPACE Matrix Chart to present the results. .

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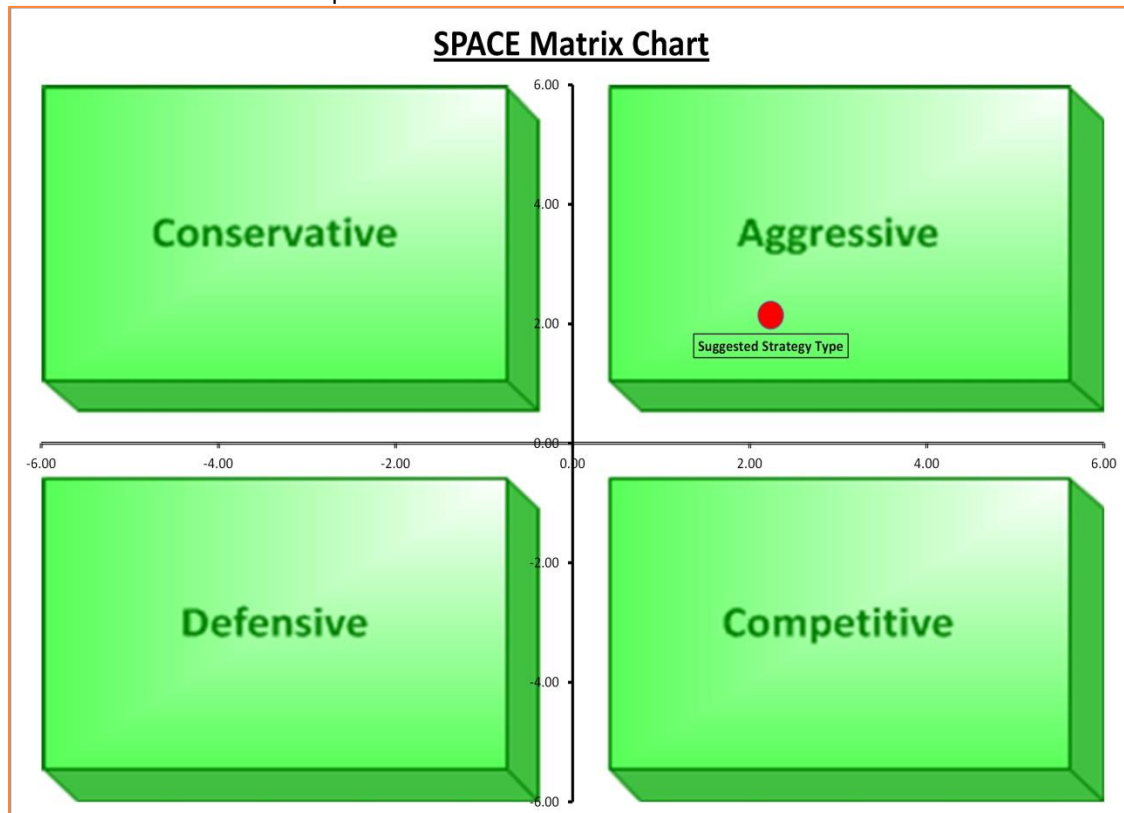


Figure 1 SPACE Matrix Chart

The **S**trategic **P**osition & **A**ction **E**valuation matrix or SPACE matrix focuses on strategy formulation especially as related to the competitive position of an organization.

The SPACE matrix can be used as a basis for other analyses, such as the SWOT analysis, BCG matrix model, industry analysis, or assessing strategic alternatives.

The SPACE matrix is broken down to four quadrants where each quadrant suggests a different type of a strategy depending on which quadrant the outcome of the analysis places the organization. The strategy types are:

- Aggressive
- Conservative
- Defensive
- Competitive

1 USER INSTRUCTIONS

1.1 SPACE Matrix Analysis

The SPACE Matrix analysis framework uses two internal and two external strategic dimensions in order to determine the organization's strategic positioning in the industry.

The SPACE matrix uses four areas of analysis; two internal and two external.

INTERNAL STRATEGIC DIMENSIONS:

The Internal Dimension is based on the analysis of two areas

- Financial strength (FS)
- Competitive advantage (CA)

EXTERNAL STRATEGIC DIMENSIONS:

The Internal Dimension is based on the analysis of two areas

- Environmental stability (ES)
- Industry strength (IS)

A number of factors that contribute to each four areas are identified, e.g. Product quality, market share, distribution channels might all contribute to Competitive Advantage (CA) as per the Input form as depicted in figure 2 below. Each factor is rated on a scale of 1 to 6.

1.2 Data Input

COMPETITIVE ADVANTAGE

Select up to 10 variables that are relevant to your Competitive Advantage.

Rate them as follows: -6 worst to -1 best

Optionally enter comments.

The average rating for Competitive Advantage (CA) is calculated to give a CA Score.

INDUSTRIAL STRENGTH

Select up to 10 variables that are relevant to your Industrial Strength.

Rate them as follows: +1 worst to +6 best

Optionally enter comments.

The average rating for Industrial Strength (IS) is calculated to give an IS Score.

ENVIRONMENTAL STABILITY

Select up to 10 variables that are relevant to your Environmental Stability.

Rate them as follows: -6 worst to -1 best

Optionally enter comments.

The average rating for Environmental Stability (ES) is calculated to give a ES Score.

SPACE Matrix		
Enter SPACE Matrix Data		
Go to SPACE Matrix Chart		
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Competitive Advantage (CA)	Rating	Comments
	(-1 to -6), -6 Worst, -1 Best	
Product Quality	-1	
Market share	-4	
Brand Image	-6	
Distribution	-2	
Management Team	-4	
Strong R & D Capability	3	
Advantage X1		
Advantage X2		
Advantage X3		
Advantage X4		
AVERAGE RATING	-2.33	
Industry Strength (IS)	Rating	Comments
	(+1 to +6), +1 Worst, +6 Best	
Barriers to new Entrants	6	
Growth Rates	4	
Cost Base	6	
Labour turnover	4	
Integrated Product & Service Requirement	5	
Access to finance	5	
Well Regulated	3	
Industry Factor X		
Industry Factor Y		
Industry Factor Z		
AVERAGE RATING	4.71	
Financial Strength (FS)	Rating	Comments
	(+1 to +6), +1 Worst, +6 Best	
Liquidity	5	
Economic outlook	4	
Access to low cost funding	5	
Cashflow	4	
Low unit cost through Automation	5	
Market for high performance product	2	
Stable Exchange Rates	7	
Financial Factor X		
Financial Factor Y		
Financial Factor Z		
AVERAGE RATING	4.57	
Environmental Stability (ES)	Rating	Comments
	(-1 to -6), -6 Worst, -1 best	
Inflation	-1	
Taxation	-4	
Protectionism	3	
Increased regulatory environment	-4	
Green (environmental) lobby	-3	
Technology	-2	
Competition for skilled R&D labour locally	-6	
Environmental factor X		
Environmental factor Y		
Environmental factor Z		
AVERAGE RATING	-2.43	
X-AXIS	Score	
Competitive Advantage (CA) Average Rating	-2.33	
Industry Strength (IS) Average Rating	4.71	
Total X-Axis Score	2.38	
Y-AXIS	Score	
Financial Strength (FS) Average Rating	4.57	
Environmental Stability (ES) Average Rating	-2.43	
Total Y-Axis Score	2.14	

Figure 2 SPACE Matrix Input Form

FINANCIAL STRENGTH

Select up to 10 variables that are relevant to your Financial Strength.

Rate them as follows: +1 worst to +6 best

Optionally enter comments.

The average rating for Financial Strength (FS) is calculated to give a FS Score.

X-Axis Score

The Internal Strategies Position is calculated by adding the CA Score and the FS Score.

This is plotted on the X-axis.

Y-Axis Score

The External Strategies Position is calculated by adding the IS score is added to the ES score.

This is plotted on the Y-axis.

1.3 SPACE Matrix Chart

The point of intersection of the Internal and External Strategies Position is automatically plotted on an X-Y graph (see figure 3 blow).

The quadrant that the point of intersection is in will suggest which of the following strategic approaches are most appropriate:

- Aggressive
- Conservative
- Defensive
- Competitive

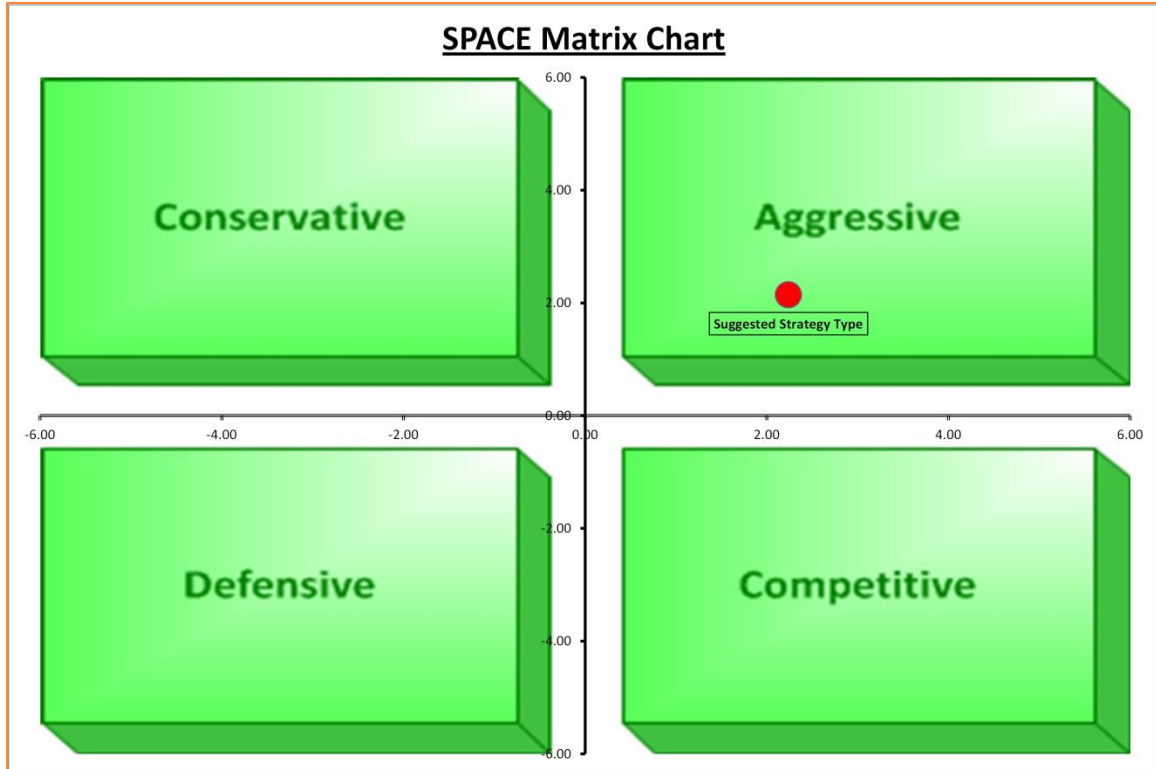


Figure 3 SPACE Matrix Chart