

Boston Matrix Notes

Developed by the Boston Consulting Group, a US commercial consulting company, it was adapted in 1992 by =mc to better fit charity fundraising and is now widely used throughout the fundraising world.

Four Key Ideas

1. All fundraising activities or donor clusters have a life cycle – there are times when they are growing and times when they are shrinking. This cycle time can vary from a few days to many years.
2. At any given time, you are probably managing a number of 'life cycles' of different activities or clusters. In a large fundraising department you may have 20 or 30 discreet fundraising cycles to look after. These cycles represent a portfolio.
3. You can map these cycles onto a matrix at a specific time to create a graphical overview of your portfolio's performance – that is, how the collection of activities or donor clusters you are managing is contributing to your overall target.
4. Proactive fundraisers can then take action to improve the portfolio and the overall results by getting rid of low performing activities/clusters or investing time and resources into higher payoff opportunities.



Stars:

These are the relatively new, fast-growing elements of your fundraising portfolio.

They give a good return and demonstrate good growth.

The key questions are how do you pay for the much-needed investment in them and maximise return? And will they become stable cash cows or burn out quickly and move swiftly into dogs?

Question marks:

These are your “trial and error” funding projects.

They don't yet bring in much money and are eating cash but they may become stars.

The key question is whether you simply have too many or are so risk-averse that you have none at all? Also, where you do have some, are you adequately supporting them? If not, how will you begin to effectively support them?

Cash cows:

These are your solid, dependable contributors – they give a good return but they're not growing.

A cash cow could be a fundraising gala event and auction that always attracts 200 people to a £500 a seat dinner. It produces satisfactory results and has done for the last 5 years.

The key questions are will it continue to be a cash cow? Are lots of competitors now modelling their events on yours? Can you do anything to put it back up into the Star quadrant – i.e. help it to grow again?

Dogs:

These have outlived their usefulness, with low returns, no growth and no hope of improvement. These are a drain on resources and energy.

A membership scheme that has a very low membership is an example. It was popular several years ago but is no longer and the fixed costs for the scheme are high and no longer justified by the number of members.

The only question is how to close it down with the least pain to existing members as it is often the 'pet' of a key stakeholder. Hence the term “Dog”.

For full details on how to use the Boston Matrix see –

<https://www.managementcentre.co.uk/downloads/TheBostonMatrix.pdf>