

Figure 4: Market Position and Strategy Matrix

Your nonprofit's competitive position	Number of competitors in your market	Direction of combined market trends	Possible strategy (make sure this strategy advances your mission)	Is this a competitive or a collaborative strategy?
Strong	Many	Growing	Aggressively highlight your competitive advantages; address weaknesses that are competitive disadvantage; seek differentiation	Competitive
		Shrinking	Consider acquisition of smaller direct competitors and indirect competitors	Competitive
	Few	Growing	This is the optimal situation. Continue doing what you are doing; continue innovating to maintain your edge; remain vigilant for new and up-and-coming competitors	Competitive
		Shrinking	Continue what you are doing; address disadvantages; consider acquisition of smaller direct and indirect competitors to reduce cost.	Competitive
<i>Middle: Some strong competitive advantages, some competitive disadvantages</i>	Many	Growing	Consider acquiring or partnering with direct competitors that can help address your disadvantages and increase your share of the market. Seek differentiation.	Competitive or Collaborative
		Shrinking	Consider acquiring or partnering with smaller direct competitors to increase your market share, and indirect competitors to help you expand into new, related markets.	Competitive or Collaborative
	Few	Growing	This is a good situation. Address your disadvantages; enhance your differentiation. Look-out for new up-and-coming competitors.	Competitive
		Shrinking	Strengthen your position; address your disadvantages. Consider acquiring / partnering with smaller direct competitors to reduce cost.	Competitive or Collaborative

Weak	Many	Growing	Strengthen your organization; address your disadvantages. Consider partnering or merging with a larger, stronger nonprofit. Focus on differentiating your organization.	Competitive or Collaborative
		Shrinking	Either strengthen your organization (and seek a niche in this market) or consider exiting the market.	Competitive or Exit Strategy
	Few	Growing	Strengthen your nonprofit; address your disadvantages. Invest for long-term growth, but beware of the likely entrance of new competitors if the market continues to grow.	Competitive
		Shrinking	Consider exiting this market, unless you are essential to customers (e.g., meeting essential needs that no-one else can meet.)	Exit Strategy

Source: Adapted from *Play to Win*, ISBN 0-7879-6813-7, © 2005; Jossey-Bass, an imprint of Wiley.