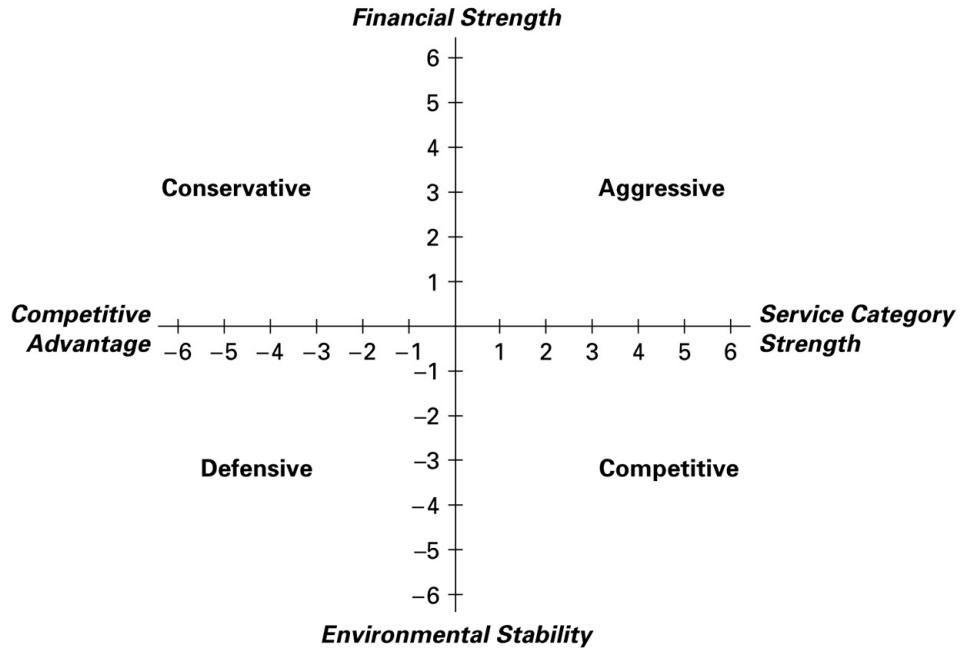


Exhibit 7–9: Strategic Position and Action Evaluation (SPACE) Matrix



Aggressive Posture

This posture is typical in an attractive service category with little environmental turbulence. The organization enjoys a definite competitive advantage, which it can protect with financial strength. The critical factor is the entry of new competitors. Organizations in this situation should take full advantage of opportunities, look for acquisition candidates in their own or related areas, increase market share, and concentrate resources on products having a definite competitive edge.

Competitive Posture

This posture is typical in an attractive service category. The organization enjoys a competitive advantage in a relatively unstable environment. The critical factor is financial strength. Organizations in this situation should acquire financial resources to increase marketing thrust, add to the sales force, extend or improve the product line, invest in productivity, reduce costs, protect competitive advantage in a declining market, and attempt to merge with a cash-rich organization.

Conservative Posture

This posture is typical in a stable market with low growth. Here, the organization focuses on financial stability. The critical factor is product competitiveness. Organizations in this situation should prune the product line, reduce costs, focus on improving cash flow, protect competitive products, develop new products, and gain entry into more attractive markets.

Defensive Posture

This posture is typical of an unattractive service category in which the organization lacks a competitive product and financial strength. The critical factor is competitiveness. Organizations in this situation should prepare to retreat from the market, discontinue marginally profitable products, aggressively reduce costs, cut capacity, and defer or minimize investments.

Source: Adapted from Alan J. Rowe, Richard O. Mason, Karl E. Dickel, and Neil H. Snyder, *Strategic Management: A Methodological Approach*, 4th edn (Reading, MA: Addison-Wesley Publishing, 1994), pp. 145–150. Reprinted by permission of Pearson Education Inc., Upper Saddle River, NJ.