

# Abstract

The concepts and techniques in this book explain how individually distinct businesses compete against each other within a defined strategic ecosystem. Using matrix methods to describe explicitly the strategic architecture of different business models, the author develops a credible notion of business genomics that anchors (i) the economics of strategic diversity (an area ill addressed by current theories of the firm in traditional economics); and (ii) the integration of the resource-based and market-positioning perspectives on strategy. Astute articulation of a business model confers a competitive advantage, thereby creating opportunity rents. These rents, captured as a return on resources, generate shareholder value in a valuation framework entirely consistent with CAPM.