

# Contents

Preface xi

## Part I: Value

- 1 The Problem with Price? It's Not Value 3
- 2 Value and Why It Matters 16
- 3 The Theory of Value 33

## Part II: Inos

- 4 Knowledge and Innovation 55
- 5 How Innovative Capabilities Enable Value Creation 71
- 6 Allocating to Firms with a Unique Capability Mix 89

*Contents*

**Part III: Clusters**

- 7 Birth and Growth of Clusters 101
- 8 Cluster Convergence, Maturation, and Death 126
- 9 Stable and Unstable Clusters 141

**Part IV: Moats**

- 10 The Value of Moats 169
- 11 How Moats Affect Cost, Competition, and  
Customer Forces 188
- 12 Managing Moats, for Value Creation Today and  
Wealth Tomorrow 206

**Part V: The Economy**

- 13 The Economy as a Macroprocessing Network 219
- 14 Monetary Shocks and Their Implications  
for the Allocator 244

**Part VI: The Nature of Value**

- 15 The Nature of Value Allocation 301
- 16 Conclusion 317

*Contents*

Notes 319

Index 335

