

Abstract

The paper outlines the literature review of strategy as an analytical concept. This starts with explaining business policy as the root of strategy as an analytical concept. It then shows the move to industrial organisation viewpoint which places emphasis on external or market view of strategy formulation. Such emphasis in effect treats the firm as an abstract economic entity and often as a black box, not as a social institution with an economic purpose. An alternative approach, suggesting that business strategy should focus on internal resources as the main driver, is proposed. The resource based perspective is used as a basis on which paratransit strategy is formulated to deal with the various institutions both within and outside their operating environment to gain competitive advantage. In conclusions, the research identified four criteria that the resources should satisfy to be homogenous and therefore provide competitive advantage to the paratransit operators. The dynamic capability, the operators' distinctive competence in utilising such resources was also identified.