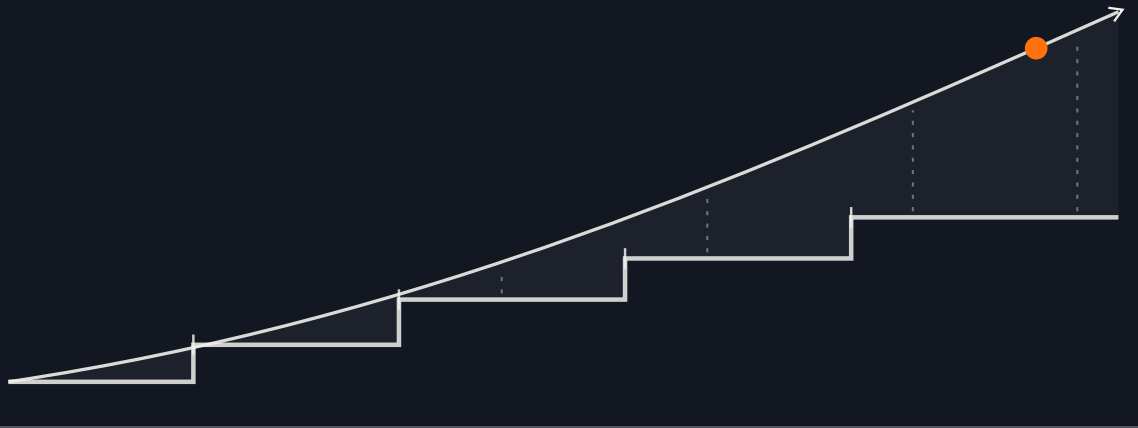




Momentum Is Not Readiness

Growth and Structure in the GCC



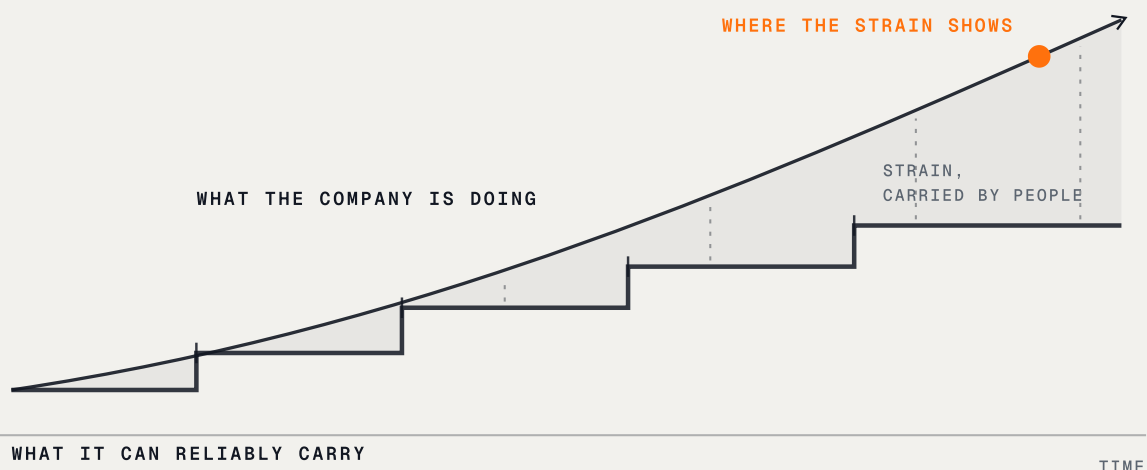
Capital, ambition and visible progress can make a company look ready for its next stage. They are signals, not tests. This paper looks at what fast growth in the GCC can hide: the distance between what a company is doing and what it can reliably carry.

THE THREE QUIET PATTERNS

- 1 Growing without owning the work
- 2 Agreement without follow-through
- 3 A few people holding everything up

KEY TAKEAWAYS

- 01 **Momentum is not readiness.** Capital, ambition and visible progress are signals, not tests.
- 02 **Capital can compress the timetable.** Structure still has to be built and tested.
- 03 **More authority has to move from particular people into defined roles.** When it does not, the people at the centre become the limit.
- 04 **Strain is carried before it shows.** A company can look resilient while it uses up the resilience of its people.
- 05 **Three quiet patterns feed each other.** Growing without owning the work, agreement without follow-through, and a few people holding everything up.
- 06 **Judge before acting.** Help adds capacity when it follows a clear view of what the plan asks of the company.
- 07 **The figures describe the setting, not the company.** Whether a company can carry its next stage is judged company by company, against its plan.



01

Momentum is not readiness

Fast growth produces its own kind of confidence. Money arrives. Plans are announced. Teams grow, new sites open, new products launch. From the outside, and often from the inside, all of this looks like proof that the company is ready for more.

It is not proof. It is momentum. Momentum shows that a company is moving. It does not show whether the company can carry what it is moving towards.

The difference matters because the two are easy to confuse. A company that raises money is read as validated. A company that grows is read as durable. A company that moves quickly is read as capable. Each of those readings can be right. None of them has been tested.

Momentum shows that a company is moving.
Readiness is whether it can carry where it is going.

Early growth makes the confusion easy. In a smaller company, informal coordination covers for missing systems. A founder steps in before a problem becomes visible. Decisions stay with a few people without anyone feeling held back. Under moderate pressure, this can work for a long time, and every month it works makes the company more confident that it is ready for the next step.

Then the next step arrives, and the company finds out. Not usually through a single failure, but through a change in how the work feels: heavier, slower to settle, more dependent on the same few people.

This is not necessarily a failure of leadership or intent. It is what can happen when growth moves faster than the company's structure has been tested. The question this paper asks is how to tell the difference before the next stage tells you.

02

What this paper is, and is not

This paper is FEC's reading of patterns that often appear in companies growing fast in the GCC. It uses published figures to describe the setting those companies grow in: how much money arrived, in what form, how quickly new companies formed, and how family-owned companies are governed.

It is not a forecast. It is not a verdict on any company, or on the region. The figures show the setting. They do not show that any company, or GCC companies in general, are not ready for what they are attempting. That judgment can only be made company by company, against what each one is trying to do next.

It is also not a fixed model every company fits. The plan decides what matters: which parts of the company the next stage will lean on, and how strong they need to be. The patterns here are ones that growth often exposes. They are a place to look, not a checklist.

Three companion papers look at the company from other sides: Built to Carry, on the parts of a company growth often puts weight on; Built in the Wrong Order, on why companies build what they can see first; and Before the Move, on what each kind of move asks of the company making it.

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03

Capital can compress the timetable

In 2025, money flowed into young companies in the region at a record pace. Venture funding in the Middle East rose 89% to \$3.43 billion across a record 581 deals, according to MAGNiTT.

Funding in Saudi Arabia rose 145%.¹

In 2026 it narrowed. In the first half of the year, funding across the Middle East and North Africa fell 22% and the number of deals fell 41%. The ten largest deals took 58% of all the money.² By September, funding for the year was down 7% but the number of deals was down 33%, and 82% of deals were at an early stage.³ More money was going to fewer companies.

The form of the money changed too. Of the roughly \$7.4 billion of tracked investment in GCC start-ups in 2025, private debt (money lent, to be repaid) contributed \$4.1 billion, ahead of venture capital (money invested for a share of the company) at \$3.3 billion. A year earlier, private debt had been \$0.5 billion.⁴

Those are the figures. They show speed, concentration and a shift in how growth is financed. They do not show how any company's structure kept up.

FEC'S READING

Capital can compress the timetable.
Structure still has to be built and tested.

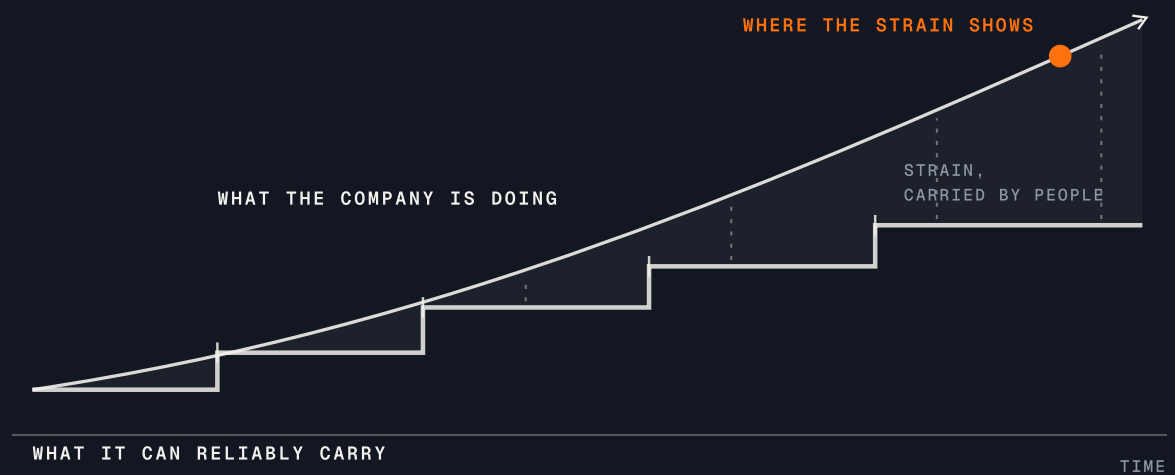
Money can change what a company does faster than it changes how the company works. When capital arrives quickly, commitments move faster, timelines shorten, and pausing starts to look like a missed opportunity. Plans stack on top of each other instead of following one another. The company moves forward continuously, without the quieter periods in which authority is settled, ways of working are fixed, and controls are tested under real pressure.

Structure does not come from money or intention alone. It is built through use: decisions that have to hold when they are challenged, authority that is actually handed over rather than announced, ways of working that break visibly enough to be repaired. Fast capital can make it possible to go around that friction instead of working through it.

So a company can grow without its structure growing with it. Teams grow before the work settles. Layers of management are added before it is clear who answers for what. People are given decision rights that are not consistently upheld in practice. The company keeps moving, but its structure is still the one built for a smaller, simpler company.

The form of the money matters as well. Debt can make weak structure less forgiving, because repayment continues whether or not the company has finished building the operating capacity behind the growth.

None of this is a problem with capital. Capital that arrives into a company able to carry it is exactly what growth needs. The risk sits in the gap between the two.



Two lines from the same starting point. What the company is doing rises steadily. What it can reliably carry rises in slower steps, each one tested before the next. The widening space between them is strain, carried by people. The one orange point is where that strain becomes visible. Illustrative, not a measured company.

04

Decisions stay with a few people

As a company grows, more authority has to move from particular people into defined roles. Decisions that one person once made have to become decisions a role makes: written down, clear, able to be handed on, and backed by consequence.

Often, that move only half happens. Roles expand on the organisation chart, but final decisions do not move with them. Delegation exists in words and in process, but the decision still comes back to the same few people when it matters. As pressure rises, decisions drift upwards, not because the structure requires it, but because no one is yet confident that authority lower down will hold.

This is easy to mistake for strong leadership. The people at the centre look decisive, involved and accountable. In the early years, that brings speed and clarity. In a larger company, it brings dependence. Teams wait for confirmation instead of acting within their authority. Leaders step in to keep things moving, which teaches everyone that authority sits with whoever is in the room, not with the role.

It also unsettles agreement. Decisions are agreed in the meeting, then reopened when they start to cost something. Teams learn that a decision may not hold, so they hedge, escalate or slow down to protect themselves.

As the company grows, the cost rises. The people at the centre become the bottleneck. The quality of their decisions falls as the volume rises. Responsibility and authority drift apart. The company becomes dependent on the very people whose capacity it has outgrown, and their tiredness is often the first sign anyone sees.

05

Strain is carried before it shows

Strain in a growing company rarely shows when it begins. People absorb it. They work around missing structure, unclear ownership and unsettled ways of working through effort, not through fixing the cause.

From a distance, the company looks fine. The work gets delivered. Deadlines are met. Problems are dealt with as they come up. Inside, the strain has not gone. It has moved: each workaround passes the pressure on to someone else, and the company comes to depend on people's effort instead of on how it is built.

Because the strain is absorbed, it rarely reaches a report. Reports show what was finished, not what it cost. Delays have reasons. Work done twice becomes normal. Over time, the company lowers its expectations and treats friction as a normal part of growth instead of a sign of how it is built.

It becomes visible only when people can no longer absorb it. Someone reaches their limit. Handovers start to fail. Mistakes spread faster than they can be fixed. By then, the causes have built up in several places at once and are hard to trace.

When it finally shows, it is often blamed on timing, resourcing or effort, and met with more oversight, new tools or adjusted targets. Those can help with the symptoms. On their own, they do not close the gap between the scale of what the company is doing and the maturity of how it works.

A company can look resilient while it is using up the resilience of its people.

Three patterns often appear together in companies that have grown faster than their structure. None of them stops the company. Each can sit alongside real progress for a long time, which is why they are easy to read as normal.

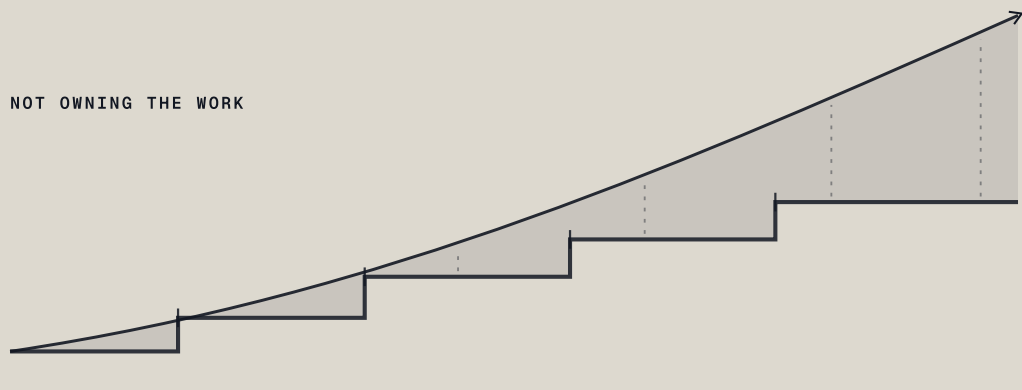
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PATTERN 1 / 3

Growing without owning the work

WHAT IT IS

The company takes on more scope, more places or more complexity without building its own hold on how the work gets done. Delivery depends on outside operators, improvised coordination or constant intervention from leaders. Owning the work does not mean doing all of it internally. It means the company retains accountability, knowledge and control over how the work is done.



HOW IT LOOKS FROM OUTSIDE

Expansion looks successful. Projects launch, teams grow, results arrive.

WHAT IT HIDES

The knowledge sits outside the company's own systems, and no one clearly answers for the result. It shows when the company tries to repeat, standardise or grow further, and finds it cannot run the work without continued outside help.

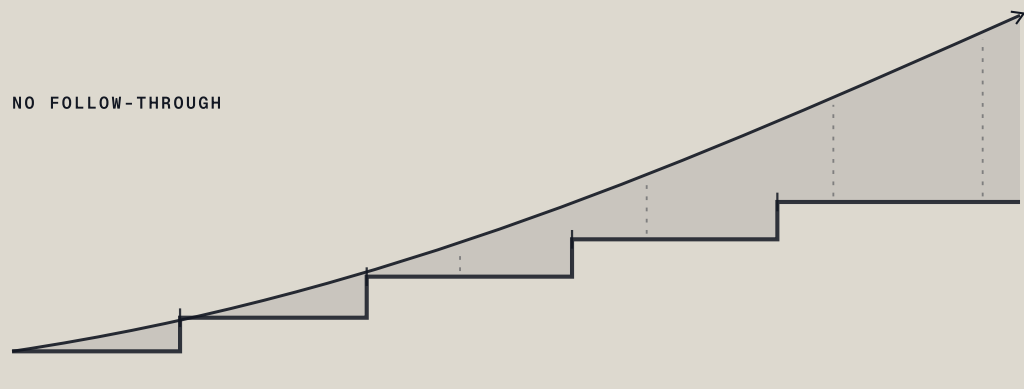
CHANGE OR BUILD

Usually build: the company's own way of running the work, with owners inside it, so that outside help adds capacity instead of replacing it.

2 PATTERN 2 / 3 Agreement without follow-through

WHAT IT IS

Leaders agree in the meeting, but what was agreed is applied unevenly. Decisions hold until they meet resistance, cost or discomfort, and then they are reopened or softened.



HOW IT LOOKS FROM OUTSIDE

A calm, united leadership. No open conflict. Steady progress.

WHAT IT HIDES

Teams act without knowing whether a decision will last. Risk is managed informally, through escalation and delay. Over time, people learn that agreement does not protect them, and work becomes cautious and fragmented. The cost arrives later, as hesitation, politics and lost trust in how decisions are made.

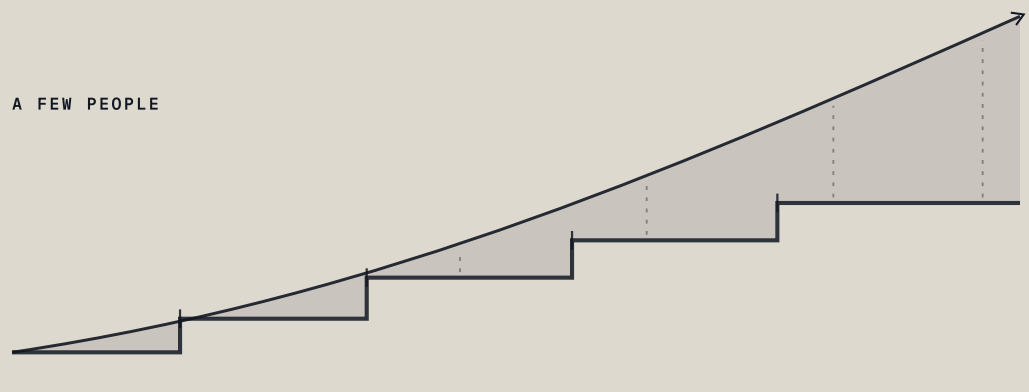
CHANGE OR BUILD

Usually change: decisions that carry clear consequences, and a set way of reopening them that is not simply avoiding them.

3 PATTERN 3 / 3 A few people holding everything up

WHAT IT IS

The company's reliability depends heavily on a small number of people or teams. They absorb complexity, resolve uncertainty and keep things joined up.



HOW IT LOOKS FROM OUTSIDE

Exceptional people. A team that always delivers.

WHAT IT HIDES

Dependence. As pressure grows, more of the load lands on the same people, and the company arranges itself around them. The failure does not come only when they leave. It comes when their capacity is exceeded, and work that depended on them slows or breaks.

CHANGE OR BUILD

Often build: the roles, routines and records that let what those people carry be carried by the company.

HOW THEY FEED EACH OTHER

The patterns rarely appear alone. Growing without owning the work makes the company lean on informal agreement. Agreement without follow-through pushes more of the load onto the few people who can make things happen. The load on those people hides how fragile the work has become. Together, they produce a company that works under moderate pressure and strains under sustained load.

07

Acting before judging

When work gets harder, companies reasonably look for help. Advisers are brought in, new initiatives start, more capacity is added. Where the company's structure can take the extra load, that works.

Where it cannot, it can make things heavier. The risk is not in the advice. It is in acting before anyone has established what the plan asks of the company, and whether the company can carry it.

More activity is not the same as more capacity. New processes can arrive without anyone owning them. Reporting can be layered on top of unclear authority. The company looks busier and becomes harder to run.

Outside help can also stand in for the company's own capacity instead of building it. Advisers absorb the complexity the company cannot yet carry. That can keep things moving for a while, but if nothing is built underneath, the company comes to depend on the help, and its own ability to run the work grows no stronger.

Under pressure to deliver, visible action is also reassuring. Bringing in help shows seriousness. The activity itself becomes the comfort, and over time it can take the place of checking whether the company is ready.

The alternative is not to do less. It is to judge first: establish what the plan will ask of the company, find where the company cannot yet carry it, and then change or build exactly that. Work done in that order adds capacity. Work done before it can add load.

The risk is not that the help is wrong. It is that action comes before judgment.

08

The GCC profile

The patterns in this paper are not unique to the GCC. The region does, however, contain operating contexts that can shape how growth pressure is absorbed. The points below are not traits of GCC companies or of the people who run them. They are contexts FEC may encounter and examine where they are relevant to the company and its plan.

Ownership held closely, work run by others. In some closely held businesses, ownership and final authority stay with a small group, while the running of the company sits with professional managers, outside operators or a mix of both. That allows fast movement. It can also leave it unclear, under pressure, who actually decides.

Families at the centre. Family businesses make up nearly 90% of private companies in the UAE, contribute around 60% of its economy and account for more than 80% of its jobs, according to the UAE Ministry of Economy and Tourism.⁵ Long commitment and trust are real strengths. They can also create areas where authority and personal relationships are hard to separate. The UAE set up a unified family business register in 2023, alongside new decisions to strengthen governance in the sector.⁶ In a survey of 300 wealthy individuals across the GCC, fewer than one in five had a comprehensive succession plan, and fewer than 16% of family businesses had formal governance frameworks.⁷ About \$1 trillion of Middle East wealth is expected to pass to heirs by 2030.⁸ A handover that size tests whether authority sits in roles or in people.

Close ties to national programmes. For companies working alongside national visions or public programmes, that work can speed growth and give early support. It also brings more than one line of accountability: strategy, public expectation and operating reality meet, and a decision can be shaped by reputation as much as by readiness.

Relationship-heavy decision environments. In some closely held or relationship-driven companies, preserving cohesion and important relationships can make structural disagreements slower to surface. Friction is then absorbed quietly instead of being resolved.

Rapid workforce growth. The UAE's population grew 5.7% in 2024, to 11.3 million.⁹ For a company growing quickly, the operating challenge is bringing many new people into its own roles, systems and ways of working fast enough. Where that does not happen, the work moves through individual experience rather than through the company's structure.

None of these causes failure on its own. Together, under fast growth, they make structural questions harder to raise without seeming out of step with momentum.

09

Why the question matters now

The pace has been real. 250,000 new companies were set up in the UAE in 2025, bringing the total to 1.4 million, according to the UAE's economy minister.¹⁰ Capital reached record levels in the same year.¹

Fast phases reward flexibility and improvisation. The phases that follow reward something else: work that repeats, decisions that hold, and authority that is clear. When commitments made quickly turn into delivery, the company finds out whether its structure was built to keep going or only to start.

Even large programmes are adjusted when delivery meets reality. In January 2026, Saudi Arabia's economy minister said: "We're not going to shy away from saying we had to shift this project, delay it, re-scope it."¹¹ Adjusting a plan is not a failure. It is what plans meet when they move into delivery. The question for a company is whether its structure can absorb the adjustment.

2026 has added pressure from outside. The regional conflict cut growth forecasts sharply: the IMF now expects Saudi Arabia's economy to shrink by 3.3% this year and the UAE's by 3.9%.¹² Money for young companies has concentrated into fewer, larger deals, and MAGNiTT has warned that fewer new companies entering now "could translate into fewer businesses progressing to later-stage funding rounds."³ For a company that grew fast, pressure from outside makes the margin for a gap in structure smaller. That pressure is the subject of a separate FEC research brief.

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FEC'S READING

The question is not new in 2026. Rapid growth was already testing structure. What 2026 changed is how much room there is to find out late.

10

Read from where you sit

Owners and boards. Growth figures tell you the company is moving. Ask what the next stage will lean on, and whether those parts have been tested under the load it will bring.

Investors. Capital can buy time and speed. It cannot buy structure directly. Ask what the company will need to build to carry the growth the investment is meant to create, and whether that work is in the plan.

Holding companies. Several companies growing at once can draw on the same leaders, the same shared services and the same few people. Each can look ready on its own and still strain the group.

The people running the company. If you are the one holding things together, that is worth naming. Your effort may be hiding a gap that the company, not you, should carry.

11

The question underneath

Every growth plan comes with a question that is rarely asked out loud. FEC asks it of every company it works with:

What does this company need to become to execute its next stage, grow stronger, and create more value through it?

Three questions answer it:

01

Can the company carry the plan?

02

What needs to change or be built?

03

How does the company become stronger through it?

For a company growing fast, much of the answer is often found in the distance between momentum and structure: where the company is moving faster than it has been built to carry. The plan still decides where to look. The answer to the first question is an operating judgment. The company keeps the decision.

OPERATING JUDGMENT

PROCEED

PROCEED AFTER CHANGES

DO NOT PROCEED

When the work is done, what matters is what stays inside the company.

The intervention ends. The operating state remains.

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What does this company need to become to
execute its next stage, grow stronger, and create
more value through it?

Bring us the plan.

Tell us what the company is trying to do next. Every review is handled in confidence.

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