strategy&
Part of the PwC network

Built to compete

Business model reinvention for tech champions in the Middle East

Contacts

Dubai

Achilles Drettas
Partner
+971-4-436-3000
achilles.drettas
@strategyand.pwc.com

Ibrahim Moufarrej
Principal
+971-4-436-3000
Ibrahim.moufarrej
@strategyand.pwc.com

Nikolaos Lioulis
Principal
+971-4-436-3000
nikolaos.l.lioulis
@strategyand.pwc.com

Mustapha Sakr
Principal
+971-4-998-6447
mustapha.sakr
@strategyand.pwc.com

Riyadh

Chady Smayra
Partner
+966-11-249-7781
chady.smayra
@strategyand.pwc.com

About the authors

Achilles Drettas is a partner with Strategy& Middle East, part of the PwC network, in the technology, media, telecommunications, and digital practice. Based in Dubai, he works with telecom operators and technology providers to expand their enterprise IT and digital businesses. He has deep expertise in corporate and business strategies, governance and operating models, and business-to-business (B2B) sales and marketing transformation.

Chady Smayra is a partner with Strategy& Middle East in the technology, media, telecommunications, and digital practice. Based in Riyadh, he has more than 25 years of experience in information and communications technology, focused on the telecom and technology sectors. He specializes in growth strategy, digital transformation, mergers and acquisitions, technology ventures, digital business models, and performance turnaround programs.

Nikolaos Lioulis is a principal with Strategy& Middle East in the technology, media, telecommunications, and digital practice. Based in Dubai, he has more than 13 years of experience in consulting and telecommunications, focusing on B2B technology and digital strategy and growth.

Ibrahim Moufarrej is a principal with Strategy& Middle East in the technology, media, telecommunications, and digital practice. Based in Dubai, he has nearly 10 years of experience in consulting, focusing on B2B technology strategy and inorganic growth.

EXECUTIVE SUMMARY

Driven by innovation, customer needs, and government actions, the Gulf's technology markets are growing and morphing at a dizzying pace. To win in this environment, tech company leaders must act, but they cannot simply chase the rapidly multiplying opportunities. Instead, they must reinvent themselves with intent by making deliberate, aligned choices about how they create, deliver, and capture value through business model reinvention (BMR).

BMR begins with strategic clarity. To become champions, tech companies need to formulate a distinctive way to play based on their inherent strengths and market dynamics. This requires making a set of clear, interdependent choices about how the company will compete, whom it will serve, what products and services it will offer, and how it will go to market.

Next, tech champions must ensure that the organizational capabilities required to execute the way to play are in place. Each way to play demands a distinct configuration of strengths across the realms of technology, talent, go-to-market, and delivery. When the right set of capabilities is intentionally developed and integrated, companies can turn strategic clarity into competitive advantage and then scale with confidence.

Finally, tech champions must design and implement an operating model that consistently enables the capabilities its strategy requires. The operating model defines decision rights, investment and resource allocation, governance and risk thresholds, performance metrics and incentives, core processes and enabling systems, and the operating cadence that shapes everyday behaviors. When these choices are properly aligned with the capability system, a way to play becomes a muscle memory within an organization.

In the Gulf's fast-paced technology sectors, BMR delivers impact only when a company's strategy, capabilities, and operating model are tightly aligned. This alignment is what separates technology champions from their competitors.

DYNAMIC MARKETS DEMAND STRATEGIC CLARITY

Technology markets are entering a period of profound expansion and disruption. A widening universe of growth opportunities is unfolding alongside continuous shifts in customer expectations, national localization agendas, and supply dynamics. Together, these conditions are forcing technology companies to reconsider not only *what* they sell, but also *how* they operate and compete.

Technology itself is a primary driver of this dynamism. Breakthroughs in artificial intelligence (AI), for example, are doing more than fueling demand. They are reshaping the fundamentals of competition by redefining how value is created, delivered, and monetized.

Business customers are changing how they buy technology. They are moving away from bespoke, project-based implementations and siloed point solutions. Today, they favor outcome-oriented engagements, consumption-based commercial models, and platform-centric, extensible offerings. These shifts are transforming go-to-market models, pricing structures, and delivery models across the tech sector.

Governments and public investment funds are further accelerating change. Localization agendas, e-government programs, and targeted investments in national tech champions are reshaping competitive landscapes and raising the bar for scale, relevance, and execution.

Together, these forces are creating an unmistakable sense of urgency among technology CEOs in the Middle East. They know the status quo is no longer sustainable: More than 40 percent of the leaders surveyed in the Middle East for PwC's 28th Annual CEO Survey, including leading technology, media, and telecommunications (TMT) CEOs, reported that their companies have already expanded into adjacent offerings, and nearly 75 percent said that they plan to pursue acquisitions beyond their core businesses in the next three years.[1]

In complex, fast-moving markets like technology, however, urgency can be a double-edged sword. Many companies overreach, spreading themselves too thin across markets, offerings, and business models, which results in diluted focus and fragmented delivery. Other companies do the opposite—moving too slowly, underinvesting, and risking loss of relevance or outright obsolescence.

Our research shows that successful companies avoid both traps. To earn the right to win, the Gulf's technology companies will need to reinvent themselves with intent by making deliberate, aligned choices about how they create, deliver, and capture value through business model reinvention (BMR). BMR is not incremental optimization; it is a strategic reset that aligns ambition with execution.

Winning business models can come in many flavors, but they all seek to achieve alignment in the same way. They define a clear way to play and then create the capabilities and operating model required to execute it consistently at scale. We find that organizations that achieve coherence in this manner are three times as likely to outgrow their peers and 2.5 times as likely to be more profitable.[2]

FROM AN ARCHETYPE TO A WINNING BUSINESS MODEL

In the 1990s, IBM's hardware-centric business model was eroding under pricing pressure and commoditization. Under CEO Louis Gerstner's leadership, IBM redefined its right to win, not as a product company, but as a transformation partner to global enterprises.[3] This shift marked a fundamental change in the company's way to play, from developing proprietary technology to orchestrating technology-enabled business change.

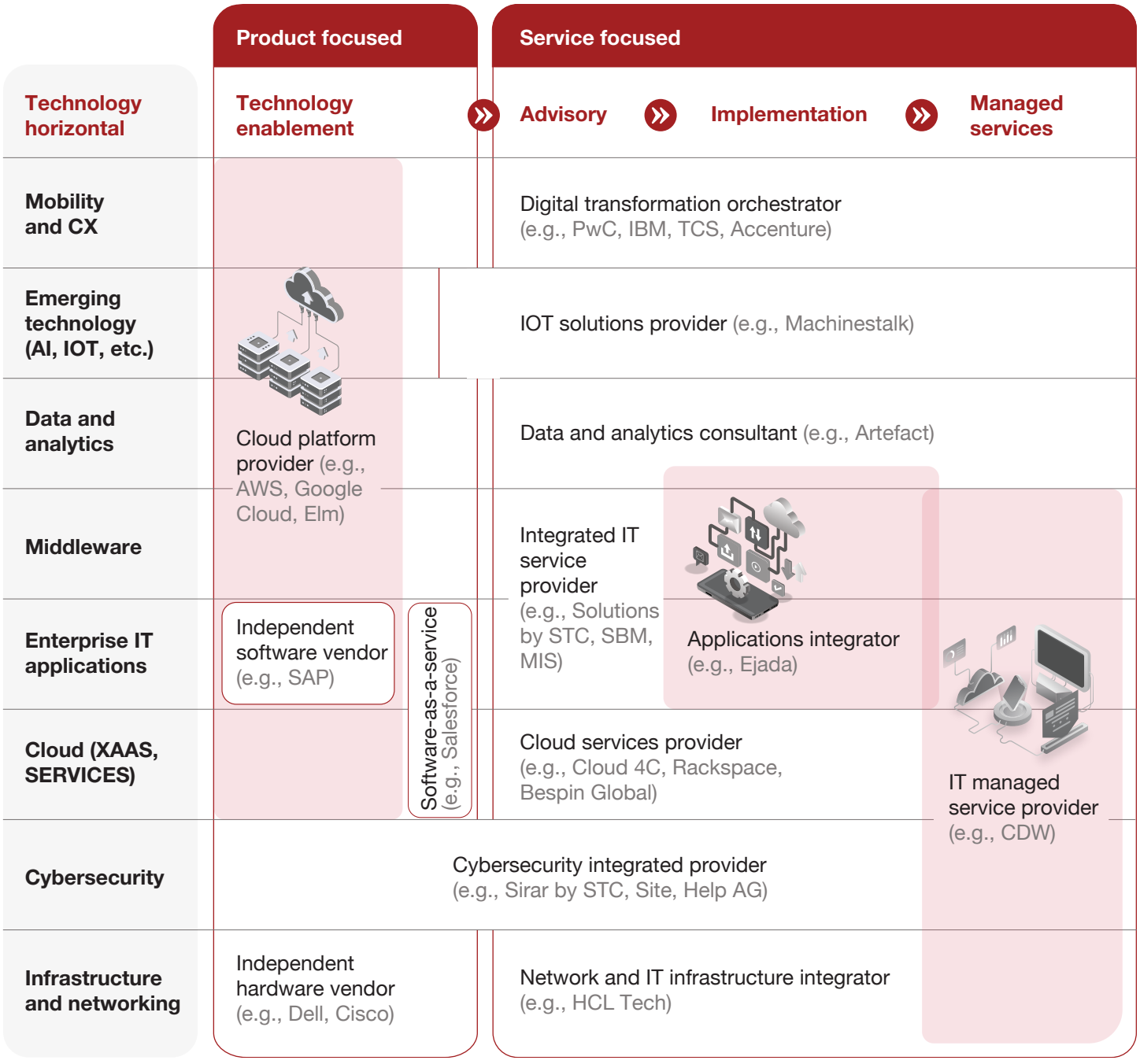
To realize this transformation, IBM exited its low-margin product businesses, most notably selling its PC division, and scaled into consulting, implementation, and managed services. It built a global service delivery network, deepened its vertical expertise, and acquired PwC Consulting to strengthen its transformation credentials. Critically, it leveraged long-standing client relationships to engage at the C-suite level. A new way to play enabled Big Blue's revitalization as a global tech giant.

BMR begins with strategic clarity. Like IBM, other tech companies need to formulate a distinctive way to play. They need to make a set of clear, interdependent choices about how they will compete, whom they will serve, what products and services they will offer, and how they will go to market. These choices will form the foundation of a winning business model.

> Winning business models can come in many flavors, but they all seek to achieve alignment in the same way. They define a clear way to play and then create the capabilities and operating model required to execute it consistently at scale.

Several broad business model archetypes are currently competing in the B2B technology sector (*see Exhibit 1*). One set of archetypes is based upon specific technology horizontals, such as artificial intelligence (AI) or cybersecurity; another set is anchored in specific positions along the value chain, such as products or services. A third set of archetypes adopts a more expansive role, in which tech companies position themselves as integrators that combine multiple technologies and services to address complex client needs.

EXHIBIT 1
Business model archetypes in the tech sector



Note: CX = customer experience. IOT = internet of things. XAAS = [X]-as-a-service. AWS = Amazon Web Services.
Source: Strategy&

Archetypes represent generic business models, but multiple ways to play exist within each archetype. The way to play is unique: It derives from a set of strategic choices that a company makes about the customer segments it will serve, the offerings it will bring to market, and the way it will bring them to market (*see Exhibit 2*).

EXHIBIT 2

Different combinations of way-to-play choices yield distinctive business models

	Value chain ▶	Technology enablement		Advisory		Implementation		Managed services	
	Technology ▶	Mobility and CX	Emerging tech	IOT	Data and analytics	Enterprise IT apps	Cloud	Cyber	Infrastructure and networking
Segments	Geographic focus	**Single country**			**Regional**				**Global**
	Segment focus	**Small** (<250 employees)		**Medium-sized** (251–500 employees)		**Large** (501–5,000 employees)			**Corporate/government** (5,000+ employees)
	Vertical focus	**Cross-industry**			**Cross-industry with specialization**				**Industry-specific**
	Type of challenge solved	**Technology-centric**						**Business-centric**	
Offering	Standardization	**Off-the-shelf products**			**Prebuilt solutions**				**Custom-built solutions**
	Solution applicability	**Horizontal**						**Industry-specific**	
	Intellectual property	**In-house**			**Partnerships**				**Acquisitions**
	Delivery	**In-house**			**Partnerships**				**Hybrid**
Go-to-market	Channels	**Direct**			**Sales partners**				**Value-added reseller**
	Price positioning	**Low-cost**			**Intermediate**				**Premium**
	Marketing strategy	**Inbound**		**Outbound**		**Ecosystem-led**		**Brand-led**	
	Sales motion	**Transactional**			**Account-based**				**Consultative**

Note: CX = customer experience. IOT = internet of things.
Source: Strategy&

For example, a provider of IT managed services can choose among multiple strategic plays (*see Exhibit 3, page 6*). It could adopt an SME (small and medium-sized enterprise)-focused model and create a portfolio of productized, low-touch offerings delivered remotely. Such a play could be scaled for efficiency by prioritizing standardization, automation, and digital self-service throughout the customer life cycle. Centralized operations and simplified onboarding would support low prices and transactional sales.

Alternatively, the managed services provider could adopt a business model focused on enterprise IT outsourcing. This model would focus on complexity and long-term embedded relationships. It would require bespoke, service-level agreement (SLA)-bound solutions and hybrid global delivery, supported by consultative sales and brand-led trust. High-touch governance, compliance credentials, and transition expertise would be essential.

EXHIBIT 3

Two winning ways to play for a managed IT services provider

		SME-focused remote IT services		Enterprise IT outsourcing	
Segments	Geographic focus	**Single country / regional**	Focus on local / regional SMEs (proximity builds trust)	**Global**	Worldwide delivery capabilities (onshore, offshore, nearshore centers)
	Segment focus	**SMEs**	Core target of companies <500 employees	**Corporate / government**	Large enterprises (5,000+ employees) and public-sector clients
	Vertical focus	**Cross-industry**	Offers IT support across industries (broad appeal, limited niche focus)	**Cross-industry with specialization**	Serves multiple industries, deep expertise in selected sectors
	Type of challenge solved	**Technology-centric**	Ensures reliable IT operations (uptime, security, support) for SMEs	**Business-centric**	Addresses broad business challenges (cost efficiency, scalability, IT transformation)
Offering	Standardization	**Off-the-shelf/ prebuilt**	Highly productized service packages (standard IT solutions)	**Custom-built**	Tailored outsourcing solutions for each client's IT environment
	Solution applicability	**Horizontal**	General IT services applicable to many industries (e.g., help desk, network)	**Industry-specific**	Customized to industry context (compliance, legacy systems, domain processes)
	Intellectual property	**In-house**	Leverages own monitoring tools and automation (proprietary support platforms)	**Partnerships and in-house**	Uses vendor alliances and develops own automation tools
	Delivery	**In-house**	Services are delivered remotely by internal teams (centralized NOC / SOC)	**Hybrid global**	Blend of internal teams and strategic partners worldwide
Go-to-market	Channels	**Direct and digital**	Reaches SMEs via direct digital channels (online marketing, self-service signup)	**Direct (enterprise sales)**	Direct sales and RFP bids, with vendor alliance influence
	Price positioning	**Low-cost**	Competitive, affordable pricing (leverages scale and remote delivery to keep costs low)	**Premium**	SLA-based pricing reflecting high service complexity and value
	Marketing strategy	**Inbound digital**	Digital-led marketing (content, SEO, referrals) to attract SME clients efficiently	**Brand-led and thought leadership**	Trust built via brand strength and executive relationships
	Sales motion	**Transactional**	Quick, volume-driven sales (standard contracts, short sales cycle)	**Consultative**	Co-creates solutions through long sales cycles and C-suite engagement

Note: SME = small and medium-sized enterprise. NOC / SOC = network operations center / security operations center. RFP = request for proposals. SLA = service-level agreement. SEO = search engine optimization.
Source: Strategy&

Neither business model is necessarily better than the other. Both can win if their go-to-market strategies, delivery engines, and service portfolios are properly aligned with the needs and economics of their target customer segment.

Diversified companies may adopt different ways to play for different businesses, but each will be unique because it derives from a specific set of strategic choices. Each additional way to play will add complexity to organizations, because each will likely require different capabilities and operating models.

In any case, to compete successfully, a technology provider must clearly define a way to play in which it can create outsized value and build the right to win. Winning players align their business model with their inherent strengths and market dynamics, and then they build the capabilities needed to deliver consistently.

DIFFERENT WAYS TO PLAY REQUIRE DIFFERENT CAPABILITIES

In 2006, Amazon transformed the internal cloud it built to scale its retail operations into a new business named Amazon Web Services (AWS).[4] This was an entirely new way to play for the company: AWS was not selling retail goods to consumers; it was providing cloud infrastructure as a utility to developers and enterprises.

This new way to play required a new set of capabilities. AWS focused on hyperscale efficiency, developer experience, and frictionless consumption. It invested in global data centers and pioneered application programming interface (API)-first provisioning. In recent years, AWS has continued to extend this capability system into artificial intelligence, embedding AI services and tools in its cloud platform to help enterprises accelerate innovation and automation. AWS succeeded not because Amazon pioneered the modern cloud computing market, but because it built a coherent platform business supported by the right set of capabilities.

Once any tech company defines its way to play, it, like AWS, must ensure that the organizational capabilities required to execute the plan are in place. Each way to play demands a distinct configuration of strengths in technology, talent, go-to-market models, and delivery. When the capabilities enabling a business are fragmented, inconsistent, or misaligned, the business cannot effectively execute. But when the right set of capabilities is intentionally developed and integrated, companies can turn strategic clarity into operational edge and can scale with confidence.

> To compete successfully, a technology provider must clearly define a way to play in which it can create outsized value and build the right to win. Winning players align their business model with their inherent strengths and market dynamics, and then, they build the capabilities needed to deliver consistently.

The IT managed services provider introduced above illustrates how capabilities are tailored to specific ways to play (*see Exhibit 4*).

EXHIBIT 4

Capabilities vary by way to play for an IT managed services provider

Way to play	Differentiating capabilities	Description
 **SME-focused remote IT services**	Scaled GTM engine for productized offerings	High-volume lead generation and conversion model is driven by automated marketing, hunting-oriented sales, and pre-scoped solutions designed for rapid deployment.
	Remote-first, lean delivery infrastructure	Offshore support hubs, centralized service operations, and AIOps automation enable cost-efficient service delivery at scale.
	End-to-end SLA and quality management	Standardized customer life-cycle processes and robust customer assurance systems maintain performance from lead to cash.
	Tool-led advisory to drive service adoption	Pre-packaged professional services (e.g., FinOps assessment) accelerates transition to managed services model.
 **Enterprise IT outsourcing**	Global service fabric with scale flexibility	Federated network of delivery centers with onshore / offshore mix enables full life-cycle management across complex enterprise IT environments.
	SLA-driven service governance	Mature service management frameworks (ITIL-based) ensure consistency, uptime, and risk assurance across mission-critical infrastructure.
	Change and transition architecture	Programmatic onboarding frameworks and playbooks enable seamless client transitions from legacy IT operating models.
	Strategic vendor ecosystem integration	Embedded alliances with hyperscalers and OEMs deliver integrated, co-engineered enterprise solutions.

Note: GTM = go-to-market. SLA = service-level agreement. AIOps = artificial intelligence for IT operations. FinOps = financial operations. ITIL = information technology infrastructure library. OEMs = original equipment manufacturers.
Source: Strategy&

THE OPERATING MODEL MAKES THE WAY TO PLAY A MUSCLE MEMORY

Strategic clarity matters, but execution is not automatic. A chosen way to play is successful only when it is translated into a core set of differentiating capabilities and those capabilities are hardwired into operating model choices. Many technology champions fail not because their strategy is wrong, but because their operating model does not enable the capabilities the strategy requires.

The operating model is where strategy becomes real. It defines decision rights, investment and resource allocation, governance and risk thresholds, performance metrics and incentives, core processes and enabling systems, and the operating cadence that shapes everyday behaviors. When these choices are misaligned with the capability system, execution becomes inconsistent—trade-offs are revisited repeatedly; teams work at cross-purposes; and scale benefits never materialize.

In our work with technology champions, we encounter three recurring dilemmas in top-level operating model design choices. Examining these dilemmas through the lens of capabilities can help leaders resolve them deliberately.

- **Dilemma 1: One operating company or a group of distinct business units?** Tech leaders often struggle with the decision to integrate operations so they can capture reuse and scale, versus separating them to protect focus across different ways to play. The right solution to this dilemma depends on whether the ways to play in the business units share the same capability system and operating rhythm. When ways to play rely on fundamentally different economics and disciplines, separation—in terms of governance, key performance indicators (KPIs), talent models, and cadences—is often the cleaner choice. When ways to play share a meaningful core of differentiating capabilities (e.g., common platforms, shared engineering assets, or a common customer interface), integration can unlock reuse and speed. In both models, the design requirement is the same: Be explicit about what sits in a corporate center versus what is owned by the operating units closest to products.

- **Dilemma 2: Organize around technology horizontals or around value-chain plays?** The second dilemma that leaders commonly grapple with is whether to anchor their organization in technology domains (e.g., cloud, cybersecurity, data/AI, internet of things) or in business model components, such as professional services and managed services. A horizontal-led structure works best when differentiation is domain-driven and winning depends on depth of expertise, credibility with partners, and the ability to build reusable assets, such as reference architectures, accelerators, and delivery standards, that can be deployed in multiple customer segments and delivery motions. A structure led by the value chain is often superior when the dominant challenge is running fundamentally different business models at scale, such as the distinct disciplines of professional services (e.g., deal-shaping, complex delivery, utilization and leverage management) and managed services (e.g., industrialized operations, tooling/automation, SLA management, and run-cost efficiency).

- **Dilemma 3: When should decision-making be centralized and when should it be distributed?** The third dilemma occurs when leaders are pondering which decisions should be centralized for consistency and risk control and which decisions should be made closer to customers for reasons of speed and local responsiveness. Capability coherence provides the boundary. Leaders should centralize decisions that underpin differentiation and require standardization, such as architecture, security, tooling standards, and delivery gates, and distribute decisions that depend on customer proximity and local execution—without compromising corporate non-negotiables.

Technology champions treat operating model design as a strategic exercise because it is what transforms differentiated capabilities into consistent execution. The goal of this exercise is not to create a perfect organizational chart. It is to make a few clear choices about who decides, what gets funded, how risk is managed, how work gets done day-to-day (processes and systems), and what gets measured and rewarded.

When these choices are explicit and aligned, trade-offs are made once and executed repeatedly. Execution accelerates, friction is reduced, and the organization can quickly scale what works. The way to play becomes a muscle memory within the organization.

The goal of this exercise is not to create a perfect organizational chart. It is to make a few clear choices about who decides, what gets funded, how risk is managed, how work gets done day-to-day, and what gets measured and rewarded.

COHERENCE EXTENDS THE LONGEVITY AND SUCCESS OF BMR

Defining a differentiated way to play, and building the capabilities and operating system it requires, is challenging work. But for technology providers in the fast-growing markets of the Gulf Cooperation Council (GCC),[5] maintaining strategic coherence during growth is even harder. Growth ambitions often outpace coherence, leading to fragmentation, duplicated investments, and a diluted right to win.

Technology champions make strategic trade-offs early and keep making them with discipline. As the examples of AWS and IBM illustrate, coherent growth is anchored in a clear way to play and a capability system that can be scaled into adjacencies. AWS has expanded its portfolio while remaining anchored in its platform-led proposition, extending into adjacent areas that reinforce its underlying strengths rather than pulling the organization in conflicting directions. IBM's repositioning similarly reflected an intentional effort to align strategic intent with capability depth—so expansion strengthened the core rather than diffusing it.

Sustained advantage comes from this kind of coherence. Technology champions align strategic intent with capability depth, scale only where they have a right to win, and reinforce the linkage between what they offer and how they consistently deliver value.

CONCLUSION

Scale alone will not determine who wins in the Middle East's technology and digital markets. The pace of change is too fast, and the cost of strategic drift is too high. In this environment, business model reinvention is no longer a one-off transformation; it is a leadership discipline. The companies that outperform are not those that chase every growth opportunity, but those that make deliberate, coherent strategic choices. They define a clear way to play, build the distinctive set of capabilities required to win with credibility, and stay disciplined about where they compete and where they do not.

But strategy and capabilities create value only when they are executed. Without an operating model that reinforces the chosen business model, even the best strategy remains aspirational. Structure, governance, decision rights, processes, and enabling systems determine how work is done and which behaviors are rewarded. When these elements are misaligned, it shows: Execution slows, accountability blurs, and focus erodes.

Meeting the challenge of BMR requires that tech leaders answer and act on a small, yet critical, set of questions:

- Which capabilities genuinely differentiate us?
- Are our way-to-play choices coherent with one another?
- Where do we truly have a right to win, and where are we overextended?
- Does our operating model reinforce our strategy or quietly undermine it?
- Are our growth moves strengthening coherence or fragmenting it?

In the Gulf's technology markets, which are defined by constant disruption, strategic clarity must be matched by execution discipline. Reinvention delivers impact only when strategy, capabilities, and operating model remain tightly aligned. That alignment is what separates technology champions from their competitors.

ENDNOTES

1. “28th CEO Survey: Middle East Findings,” PwC Middle East, 2025 (https://www.pwc.com/m1/en/ceo-survey/28th-ceo-survey-middle-east-findings-2025.html).

2. “Fit for Growth: A Practical Model for Strategic Transformation That Enables Sustainable Growth,” Strategy&, 2024 (https://www.strategyand.pwc.com/a1/en/assets/pdf/strategic-transformation-enables-sustainable-growth-short.pdf).

3. Louis V. Gerstner Jr., *Who Says Elephants Can’t Dance? Leading a Great Enterprise through Dramatic Change*, HarperBusiness, 2002.

4. Geoff Colvin, “How Amazon Grew an Awkward Side Project into AWS, a Behemoth That’s Now 4 Times Bigger Than Its Original Shopping Business,” *Fortune*, November 30, 2022 (https://fortune.com/longform/amazon-web-services-ceo-adam-selipsky-cloud-computing/).

5. The GCC countries are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

strategy&

Part of the PwC network

Strategy&

Strategy& is a global strategy consulting business uniquely positioned to help deliver your best future: one that is built on differentiation from the inside out and tailored exactly to you. As part of PwC, every day we're building the winning systems that are at the heart of growth. We combine our powerful foresight with this tangible know-how, technology, and scale to help you create a better, more transformative strategy from day one.

As the only at-scale strategy business that's part of a global professional services network, we embed our strategy capabilities with frontline teams across PwC to show you where you need to go, the choices you'll need to make to get there, and how to get it right.

The result is an authentic strategy process powerful enough to capture possibility, while pragmatic enough to ensure effective delivery. It's the strategy that gets an organization through the changes of today and drives results that redefine tomorrow. It's the strategy that turns vision into reality. It's strategy, made real.

www.strategyand.pwc.com/me

Read the latest Ideation Center insights

ideationcenter.com

Connect with Strategy& Middle East

twitter.com/strategyandme

linkedin.com/company/strategyandme

strategyand.pwc.com/me

Connect with Strategy&

twitter.com/strategyand

linkedin.com/company/strategyand

youtube.com/user/strategyand