

# Capital Doesn't Matter

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## *Why the UAE Must Trade the Pilot-Paradox for Systemic Power*

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*Abundance without selection is diffusion.*

### **Capital as Infrastructure, Not Advantage**

In 2003, Nicholas Carr shook the corporate world with his provocative *Harvard Business Review* article, "IT Doesn't Matter." Carr argued that as information technology became ubiquitous, it lost its potential as a source of competitive advantage. It became infrastructural, essential but non-differentiating.

Today, in the United Arab Emirates, we are witnessing a related but distinct structural dynamic applied to the region's most available factor of production: **capital**.

In a market characterised by exceptional liquidity, capital loses its traditional role as a strategic filter. When the question "*Can we fund this?*" is almost always answered with *yes*, the strategic risk shifts from scarcity to abundance. In the Gulf, capital is no

longer the differentiator. It has become noise, often masking the absence of real strategic judgment.

### **The Myth of the Funded Project**

In most global markets, large capital allocations signal commitment. In the UAE, the signal is weaker. Concentrated pools of capital (government entities, sovereign vehicles, and large family holdings) often treat funding as an invitation to explore rather than a commitment to build.

The result is what can be called the Pilot-Paradox: a constant stream of pilots, innovation hubs, and initiatives that create visible momentum but fail to change the organisation's underlying value or power. Capital becomes a tool of intent rather than a constraint. Activity is mistaken for progress.

Organisations buy options on the future without building the systemic foundations required to exercise them.

### **The 85/15 Dilemma: Execution vs. Legacy**

This dynamic is amplified by a distinctive demographic reality. In many UAE organisations, roughly 85% of the professional workforce is expatriate, while strategic ownership and long-term stewardship rest with a much smaller group.

The 85% (Management)

Often driven by short-term KPIs and visible output. For an ambitious executive, launching a new pilot demonstrates relevance and momentum. Budget equals progress.

The 15% (Owners and Boards)

Custodians of sovereign vision and institutional legacy. For them, capital is an instrument — but its fragmentation across dozens of uncoordinated initiatives directly weakens systemic power.

When capital is no longer the bottleneck, the true constraints surface: management attention and strategic selection.

### **Less Pilots, More Power**

Strategy in an environment of abundance is not about allocation. It is about de-selection.

The strength of a UAE organisation is not measured by the size of its innovation portfolio, but by its ability to create and defend a control point.

A control point is a position in the system where others become dependent on your choices. It cannot be bought with capital alone. Capital can fund technology, teams, and pilots; only strategy turns those into power.

Control points take many forms: proprietary data that compounds, platforms that orchestrate ecosystems, regulatory or infrastructural positions that shape how markets function. What they share is this: once established, competitors must react to you.

Capital without focus scales noise. Strategy creates leverage.

## When Data Stops Helping

In environments of abundance, boards often double down on analysis. More dashboards. More pilots. More metrics. The assumption is linear: more information equals more certainty.

That assumption quietly breaks.

Beyond a certain point, additional data does not sharpen decisions; it dulls them. Complexity rises faster than insight. Signal is buried under activity. What looks like rigor becomes a substitute for judgment.

This is why pilot-heavy organisations feel busy yet directionally weak. They are not short of information. They are short of decisions that exclude.

Strong leaders recognise this boundary instinctively. They know when analysis has done its job, and when continuing to analyse is simply avoiding commitment. At that point, strategy no longer lives in models or pilots, but in explicit choice: *what we will dominate, and what we will deliberately abandon.*

## Strategy as a Filter

Money is available in the Gulf. Talent is available. Technology is available. None of these confer lasting advantage on their own.

The implication is not that organisations should *do less*. It is that they must do what is strategically relevant, and stop confusing volume with value.

In environments of abundance, activity is cheap. Relevance is not. More initiatives, more pilots, and more investments do not automatically accumulate into power. Only those actions that reinforce a clear strategic direction and compound into control points matter.

Strategy, therefore, is not a brake on ambition. It is a filter that separates movement from progress. It channels energy toward positions that shape the system rather than merely participate in it.

Capital doesn't matter, unless it is deployed with intent, coherence, and consequence. The winners in the UAE will not be those who do the most, but those who do the most strategically relevant things, consistently and at scale.

In the architecture of power, focus is not restraint. It is force.

Less noise. More relevance. More power.

### **About Outdoor Connect**

Outdoor Connect is an independent strategy advisory platform focused on board-level value creation for mid-sized, growth-driven companies (€50–€1B). We bring direct senior engagement—without the traditional consulting pyramid—to help founders, CEOs and boards set direction, make sharper capital allocation choices, and embed an execution rhythm. Core areas include growth strategy in technology and the energy transition, strategic repositioning in fragmented markets, and board-level sparring on value creation and M&A preparation.

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