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Think 2050: How Clusters Can Future-Proof GCC Family Businesses

by Ajay Bhalla, Aneesh Banerjee and Maged Elshenawy

As 2025 brings intensified global competition, digital disruption, and growing pressure to scale, family firms across the GCC region face an urgent question: “Can we continue to compete alone, or is it time to reimagine strength through clusters?”

Walk through Italy’s Emilia-Romagna region and you will find a story with powerful lesson for the GCC family enterprises. This small stretch of northern Italy has become one of the world’s most specialized industrial hubs- home to iconic family-founded automotive firms such as Maserati (founded in 1914), Ducati (1926), Ferrari (1947), Lamborghini (1963), and more recently Pagani (1992).

But behind their visible success lies something deeper: a quiet culture of collaboration. For decades, small family-owned workshops, machine part suppliers, designers, and engineers have worked closely, not under one corporate umbrella, but within a shared ecosystem rooted in trust, interdependence, and long-term aspirations.

Why GCC Family Businesses Need To Think Differently

Family businesses have long been the backbone of entrepreneurship and employment across the Gulf. Many are deeply rooted in local communities, guided by values such as trust, stewardship, and long-term legacy. However, today these strengths are being put to the test as multinational corporations expand further into the GCC region endowed with deep capital reserves, advanced technology, and global scale. Their supply chains span continents; their marketing capabilities are data-driven and highly targeted; their access to talent and innovation is difficult to match. And, critically, they collaborate across borders, functions, and industries.

In contrast, many local GCC family businesses continue to operate in relative isolation. Their deep-rooted emphasis on autonomy and preference for tightly held governance structures has served them well historically. However, in today’s rapidly evolving and interconnected environment, such

self-reliance can result in limited access to talent pools, slower innovation cycles, and underexploited growth opportunities. In the absence of collaborative platforms or shared learning mechanisms, valuable know-how remains siloed. This dilutes the collective capacity of GCC business families to adapt, innovate, and lead at scale.

So, the question isn’t whether GCC family firms are strong enough; it’s whether their siloed approach is holding them back in a landscape where collaboration and agility across the value chain determines success.

What Clustering Offers

Clustering isn’t about merging or giving up control of your family business. In simple terms, think of a cluster as a group of businesses, located near one another, operating in the same or related sector, who choose to collaborate. You might share logistics, co-invest in training, align around regional branding, and even pool data and resources to enter new markets.

In Emilia-Romagna, that’s exactly what happened. A network of family-run firms built the backbone of Italy’s luxury automotive sector not by centralizing power, but by supporting one another. Suppliers of carbon fibre, precision gears, seat materials, and electronics grew alongside global brands such as Ferrari, Ducati, and Lamborghini. Designers, test engineers, and mechanics moved between firms, bringing new ideas with them. Italians geared their industrial policies to encourage artisans and mechanics to set up their own ventures. Often these were near existing firms. Imagine a Ferrari engineer starting a parts business in five-mile radius- making it culturally reputable to be a small, independent, specialized supplier.

Now imagine applying that mindset to the Gulf and think what clusters could look like in sectors where you along with a network of other family-owned firms could create world-class value chains.

How Clusters Can Benefit Family Firms In The GCC

Clusters work because they align with the very things GCC family businesses already do well: build trust, think long-term, and invest in relationships. When family businesses come together:

- National identity becomes a strength
- Ideas move at speed
- Costs are shared
- Innovation accelerates
- Risk is spread
- Access to new markets becomes easier



Aneesh Banerjee

Next Steps

In conclusion, we leave you with this thought.

The real lesson from Emilia-Romagna isn't just about luxury cars- it's about committing to mutual growth. By working together, Italian family businesses transformed their region into a global powerhouse. They didn't wait for top-down policy directives. They built trust, aligned their aspirations, and invested in one another. In doing so, they turned Emilia-Romagna into one of the world's most respected industrial hubs for high-performance automobiles.

Family businesses in the GCC region have both the ambition and potential. But the future of family business in the GCC won't be defined by how fiercely family enterprises scale up on their own. It will be shaped by how wisely they come together to build something greater and more resilient than any could achieve on their own.

The time to act is now. Reach out to other business families. Explore shared opportunities. Seek out collaborators and invest in the ecosystem- not just in your own business. The next chapter of GCC family business won't be written in isolation. It will be written together. 

“ The question isn't whether GCC family firms are strong enough; it's whether their siloed approach is holding them back in a landscape where collaboration and agility across the value chain determines success.”

Ajay Bhalla is Professor of Family Business at Bayes Business School in London. He comes from a fourth-generation family business, and has spent over 25 years teaching, researching, and advising family enterprises around the world. As a leading expert in multigenerational enterprise, he helps families navigate complex and often unspoken challenges that arise across generations: from succession and governance to innovation and identity.

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Maged Elshenawy

How Multi-Generational Family Enterprises Thrive

by Professor Peter Vogel

Family enterprises are the cornerstone of the global economy. They account for more than 70% of global GDP and are responsible for the majority of employment in most countries, including the UAE. Their unique blend of purpose, legacy, and long-term thinking gives them a natural advantage—but only if they are structured to evolve.

What differentiates the families who thrive for generations from those who fade within decades? From our work at the IMD Global Family Business Center and the experiences of hundreds of family enterprises worldwide, we've identified a set of key success factors that underpin multi-generational endurance. These include succession planning, world-class governance, entrepreneurial renewal, and, above all, a deeply rooted sense of responsibility.

Long-Term Thinking: A 25-Year Quarter

There's an old saying: "A quarter in a family business is 25 years, not three months." Unlike publicly listed companies driven by quarterly earnings, family enterprises can afford to take the long view. They invest in relationships, purpose, and impact. They preserve institutional knowledge, empower long-serving executives, and deploy patient capital.

But long-term thinking is not inertia. It's strategic clarity. Successful families design ownership strategies that balance liquidity, control, and growth—carefully deciding how capital is used, how decisions are made, and how value is created across generations. They focus not only on preserving wealth, but on building unity and purpose as their family grows.

Succession: From Legacy to Leadership

One of the most decisive moments in the life of a family enterprise is succession. Done well, it ensures continuity, credibility, and the renewal of entrepreneurial spirit.