

Family Business Survey 2020

Greece Report March 2021



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Headline findings for Greece

1

Tackling the Pandemic Crisis

Family members noted that their strong sense of values and company purpose assisted them in overcoming the crisis. Strong support to their employees and to the local community in troublesome periods is one of the fundamental principles that came up.

Greek Family Businesses benefited from intensified communication and strong company values during the pandemic crisis.

Greek Family businesses appear somewhat more ambitious than their global peers regarding growth prospects in the post-Covid-19 period. They expect to continue to rely mostly on the traditional sources of financing of operational cashflow and bank lending. They also aim to be more diversified going forward.

Greek Family businesses are coming out of the crisis with priorities similar to their global peers, namely:

- Diversification and expansion of their activities,
- Digitalisation and introduction of new technologies,
- Evolving and new business thinking,
- Sustainability and focus on the local community.

2

Responding to the Sustainability Agenda

Greek Family Businesses feel a responsibility to fight climate change and ensure that sustainability is embedded in everything they do. They recognise that there is an opportunity for their company to lead in sustainable business practices and they consider contributing to the society essential. To date, they mostly do it by engaging in traditional social responsibility activities, such as local community support and philanthropy.

Even though Greek Family Businesses recognise the importance of sustainability and the opportunities and challenges that may arise from it, they have not yet incorporated and formalised it into their strategic planning.

The majority of Greek Family Businesses do not have a formally documented and communicated ESG strategy. This may pose a threat to them, as in today's business environment, more pressure is put on companies to demonstrate their environmental social and corporate governance (ESG) credentials. Failing to demonstrate commitment to sustainability with concrete actions, could result in losing the trust and goodwill and long term even the "license" to operate.

3

Strengthening Digital Skills

According to the Global Family Business report, strong digital capabilities translate into better performance, increased agility, more focus on sustainability and more transparency.

In Greece, digital, innovation and technology rank high on the priorities list of family businesses, however, the progress has been slow. Even though Greek Family Businesses recognize that digitalization, innovation and technology are significant, almost a third of them acknowledge that their digital capabilities are not strong enough.

4

Professionalising Family Governance



Close to 90% of Greek Family Businesses feel they have a clear sense of company and/or family values. Yet, less than half of them have the family values and mission of the company articulated in written form.

Greek Family Businesses feel that the levels of trust, transparency and communication are quite high among family members. However, only half of them believe that there is family alignment on the company's direction.

This gap is further accentuated by the lack of formalised governance policies; even though most Greek Family Businesses are positive about the clarity of roles and strength of leadership within the business, almost 40% of them acknowledge they have no formalised and documented governance policies in place. This is quite low compared with the global survey average, where only 21% of family businesses claimed to have no formalised governance policies.

Family Businesses need to formalise corporate governance. Strong family and company governance policies will be key in the coming years, especially, as the family business owners intend to continue to be involved in the control of their companies and are interested in their longevity and success.

5

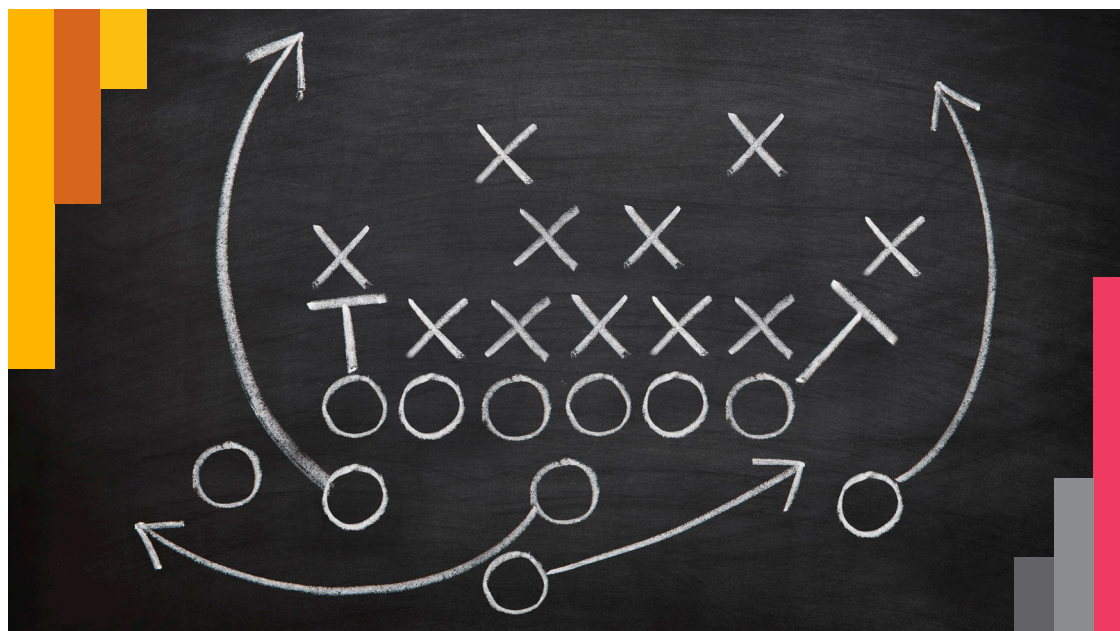
Addressing successful Succession Planning and Conflict Resolution



It is important for owners to ensure that the business is protected as it is recognised as the most important asset of the family. Greek Family Businesses want to maintain the family business, create a legacy and be involved in activities that make them proud as owners. However, formal succession planning policies are rarely present.

Even though Greek Family Businesses expect the next generation to be in control in the next five years, only 24% claim to have an agreed, robust and documented succession plan in place (compared with 30% globally).

Misalignment among family members can cause conflicts and jeopardize the longevity of family businesses. Greek Family Businesses admit that conflicts occur in their businesses. The vast majority chooses to handle them within the immediate family and only 5% have conflict resolution mechanisms. This comes in contrast with the global average, which shows that global Family Businesses are more willing to discuss conflict resolution openly with the family and engage third parties and use formal mechanisms to resolve them.





1 Greek Family Businesses rose to the challenge of tackling the Covid-19 crisis

The COVID-19 pandemic has been an extraordinary test of resilience for almost all businesses. Family businesses rose to meet the challenge capitalising on the strong values and company mission, intensifying communications and supporting staff and community.

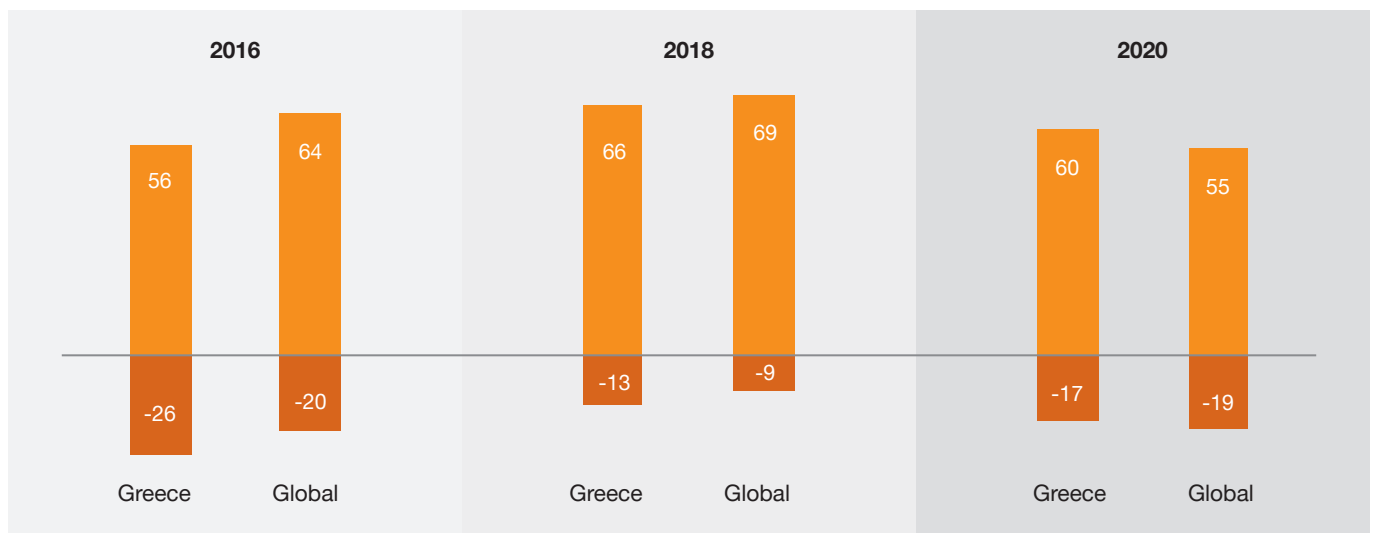
Sales growth expectations have seriously deteriorated, compared to pre-Covid years. Greek Family Businesses feel that the impact of the pandemic crisis will be severe and can lead to an almost 50% decline in revenues -very much in line with their global peers.

Sales growth in last financial year (pre-COVID-19)

%

Sales growth

Sales reduction

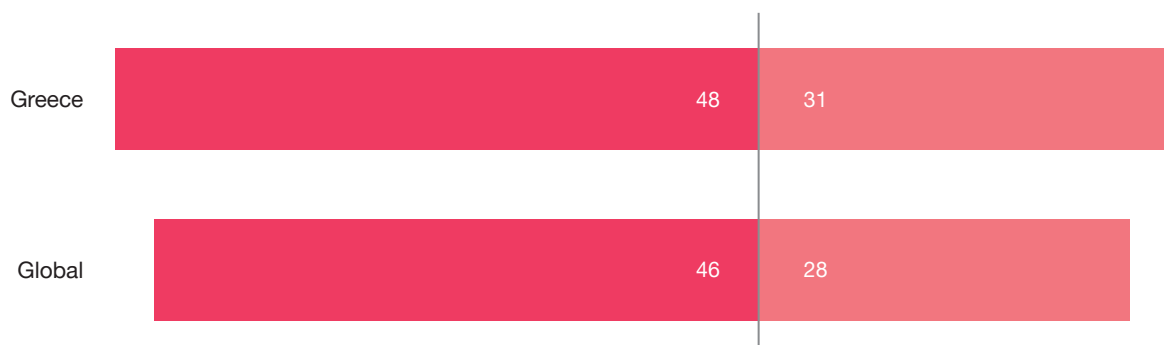


Expected impact of COVID-19 on sales

%

Sales growth

Sales reduction

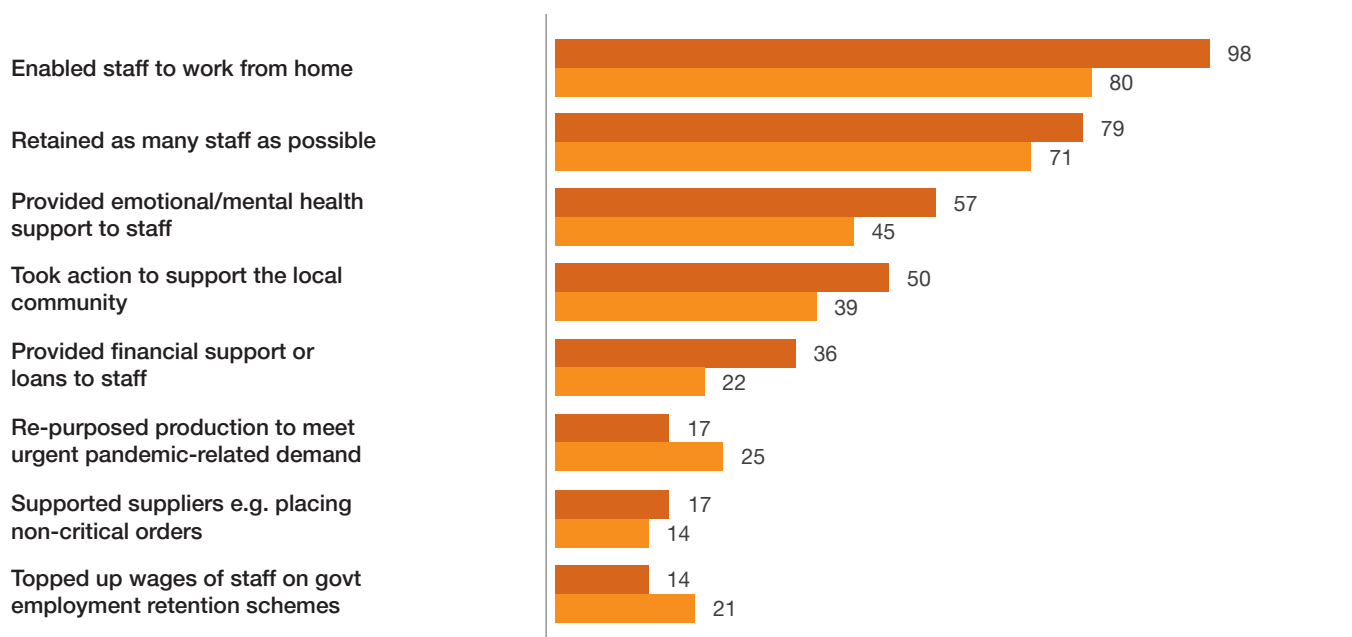


During COVID, Greek Family Businesses tended to support more than the global average their staff and their local community.

Help and support provided during COVID-19

%

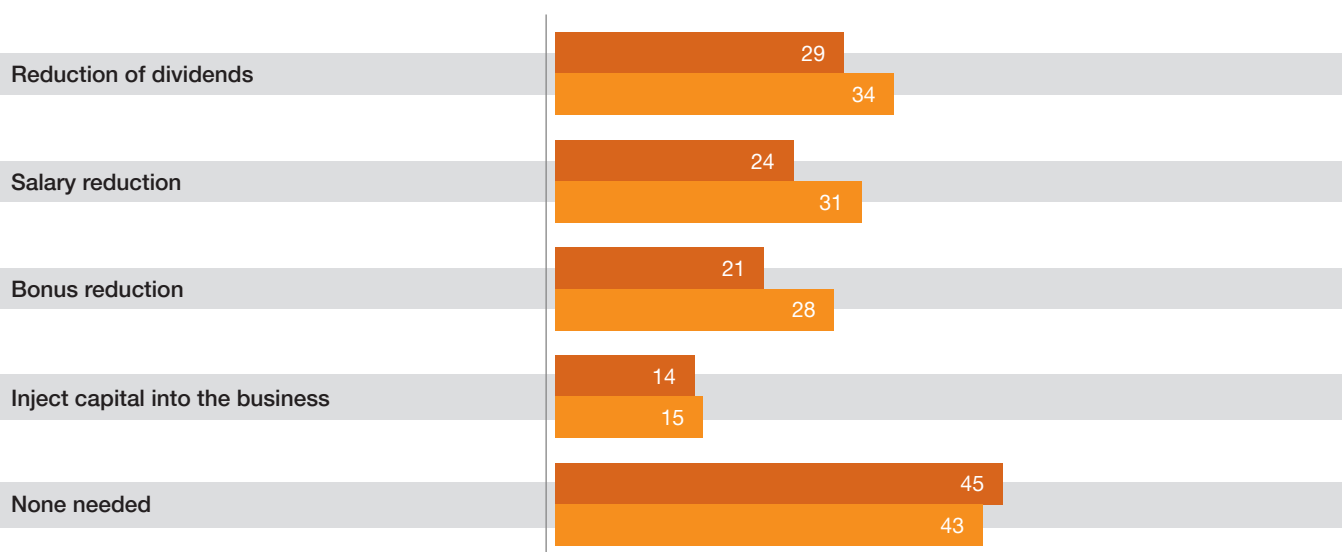
■ Greece ■ Global



Sacrifices made by family shareholders

%

■ Greece ■ Global

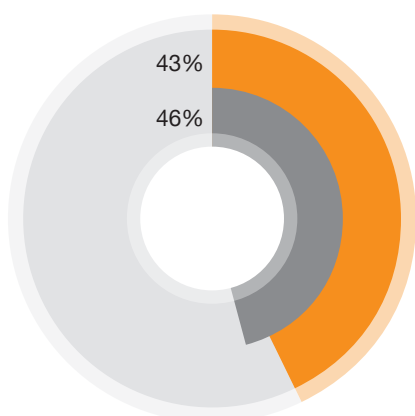


Greek Family Businesses benefited from intensified communication and strong company values during the pandemic crisis.

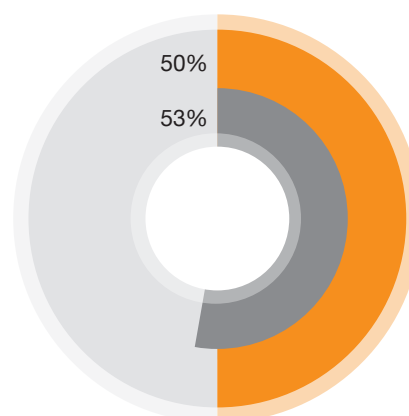
Communication between family during the COVID-19 pandemic

Greece

Global



COVID intensified communication between different generations of family members



Communication between family members about the family business increased during COVID

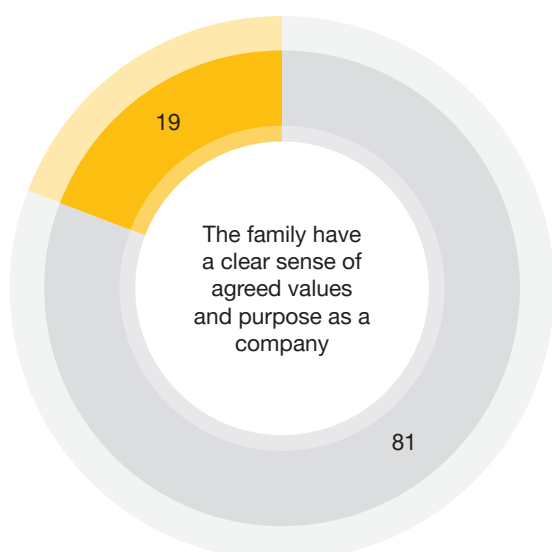
Impact of each on how the business managed during the COVID-19 pandemic

%

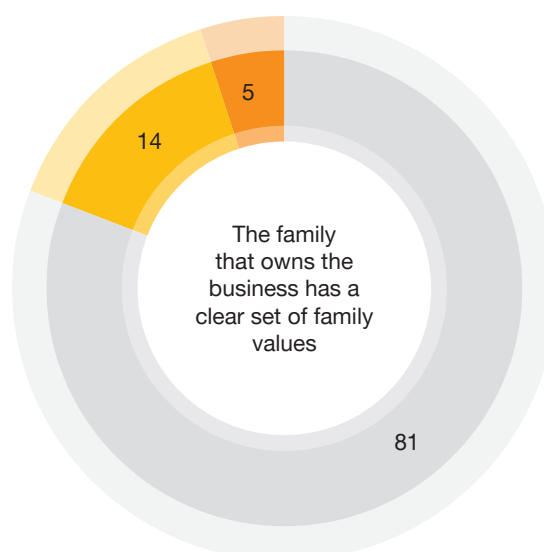
Helped

Made no difference

Hindered



The family have a clear sense of agreed values and purpose as a company



The family that owns the business has a clear set of family values

Greek Family Businesses are more optimistic about growth than their global peers.

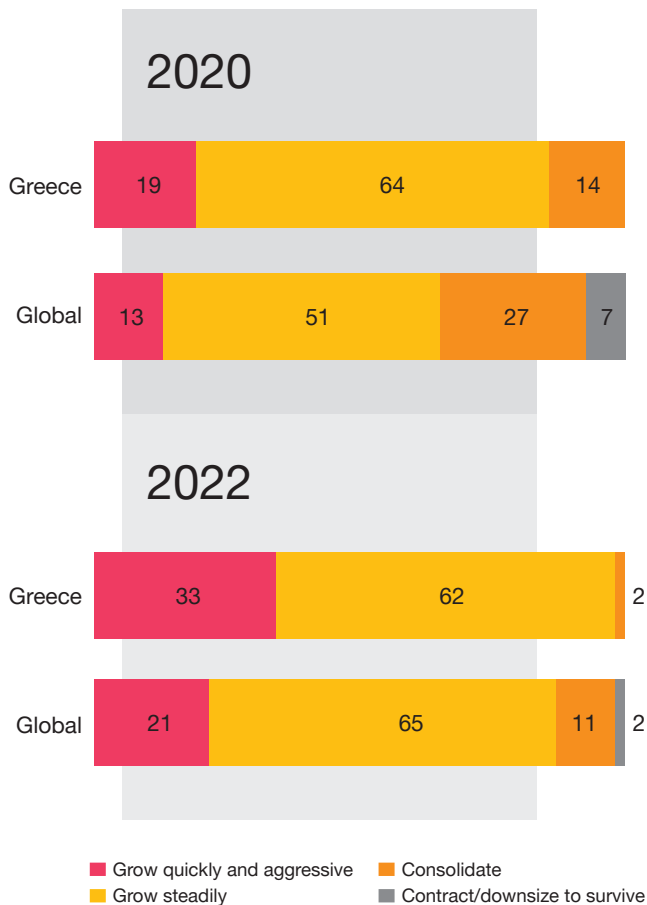
The main sources for their funding in the future are credit lines and operating cashflow.

31%

Greek Family Businesses had a need for additional capital in the last year (compared to 21% globally).

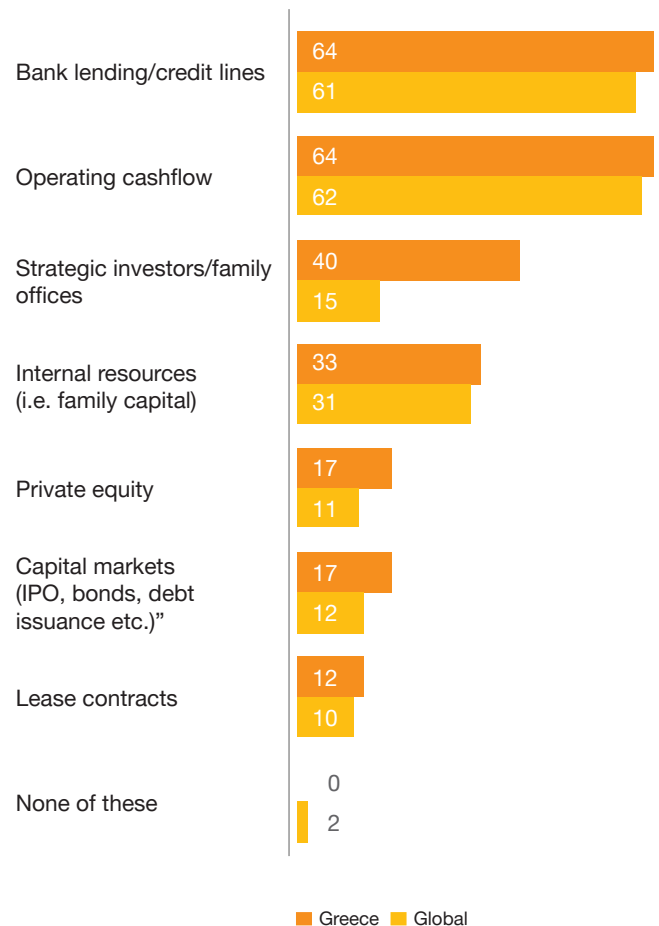
Growth ambitions for 2021 and 2022

%



Sources of finance in the future

%

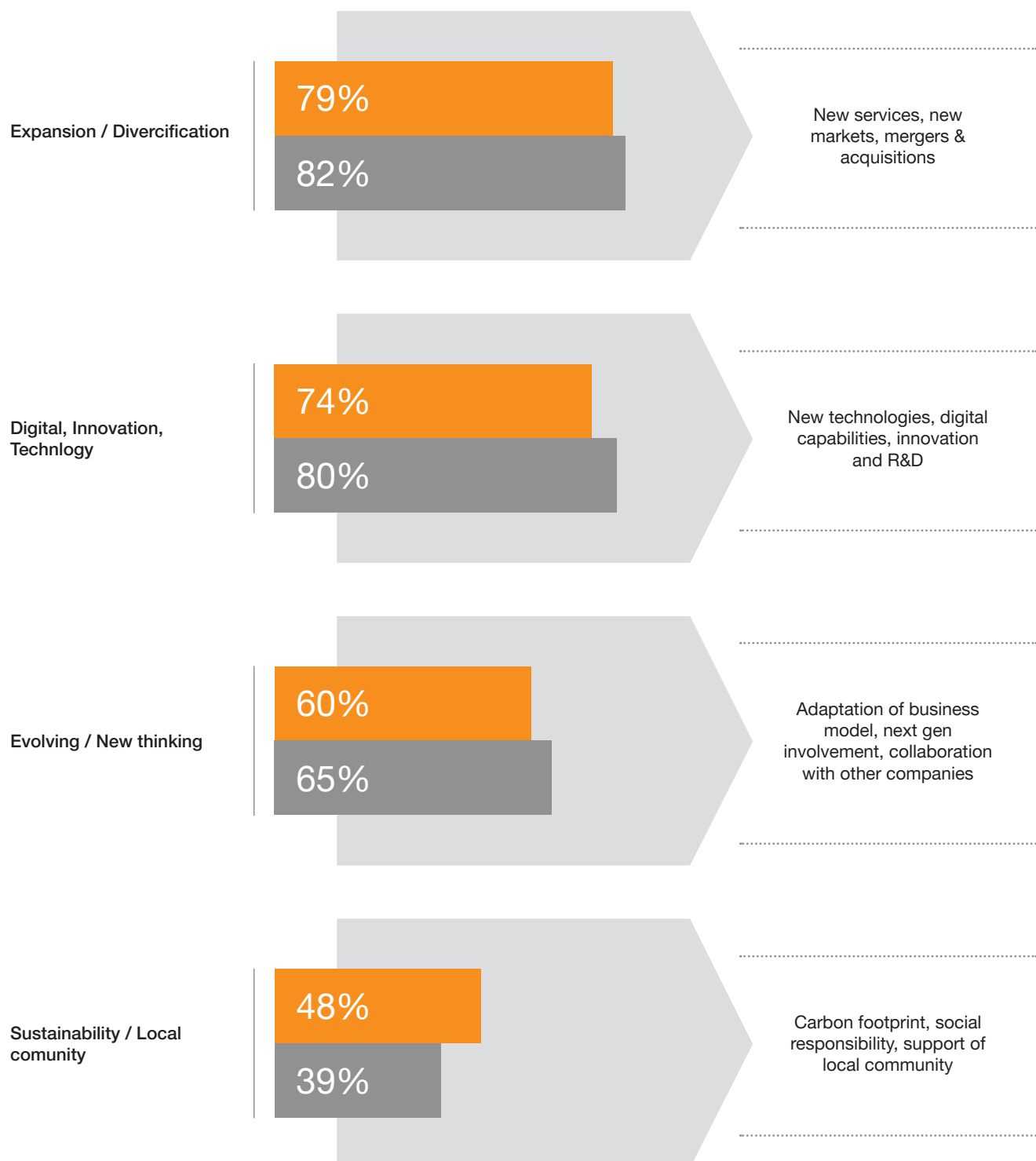


Greek Family businesses are coming out of the crisis with priorities similar to their global peers.

Key priorities over the next two years – Greece compared to Global

Greece

Global



Greek Family Businesses aim to become more diversified.

Some plan to set up family investment offices in the next five years.

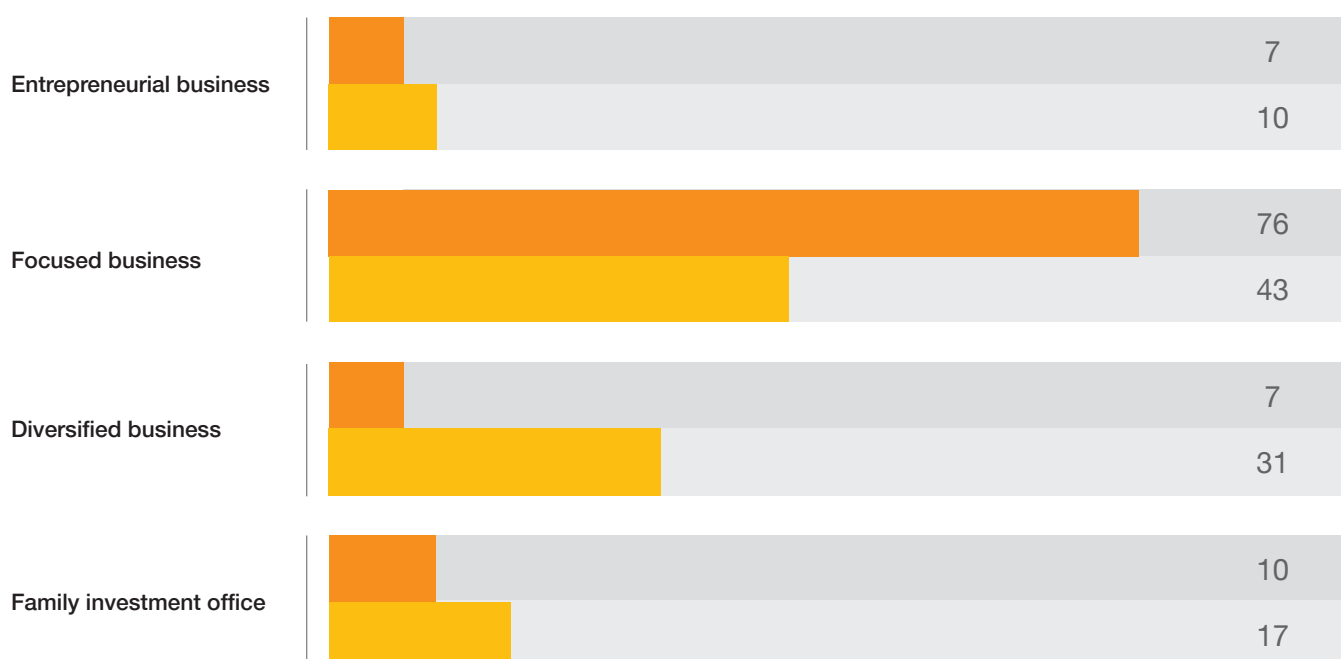


Growth ambitions for 2021 and 2022

%

Now

Five years' time



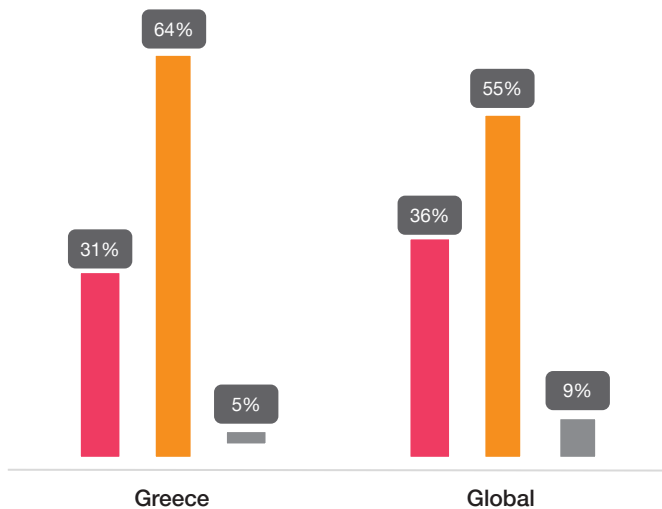


2 Sustainability and Social Responsibility issues - a new urgency

The pressure on all businesses to contribute to a cleaner environment and fairer society is increasing, so actions around a sustainability agenda - not just commitments - will take on a new urgency. COVID-19 has only served to accelerate and intensify these challenges.

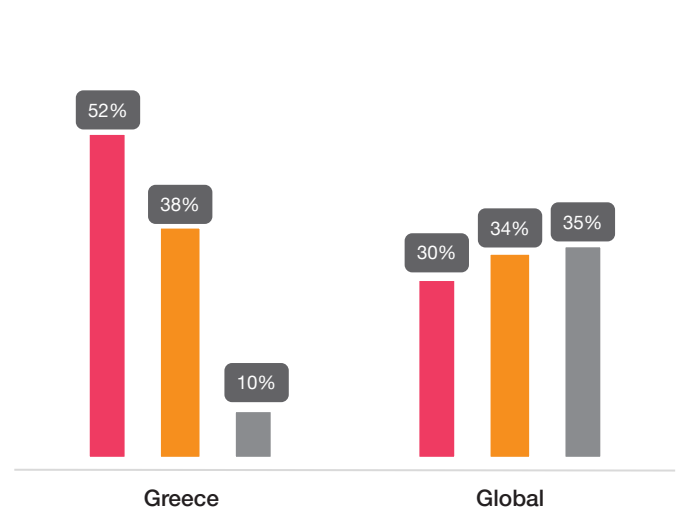
The majority of Greek Family Businesses, in line with the global trend, are engaged in some form of CSR and Sustainability practices...

Sustainable business practices



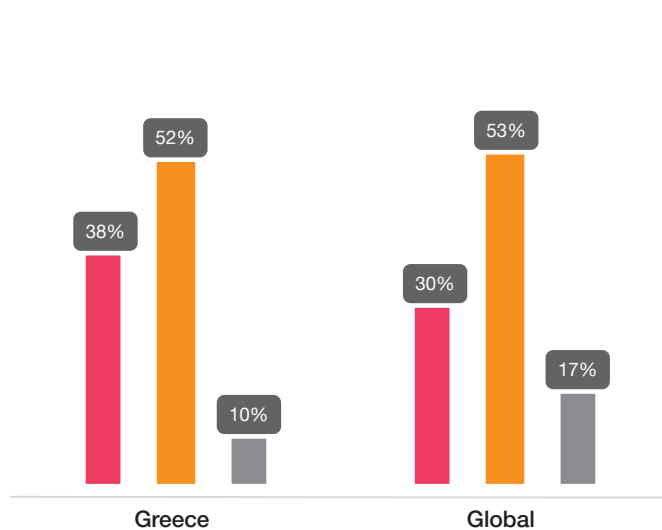
- Family businesses like ours are unlikely to lead but we **WILL PLAY OUR PART** when required
- There is an opportunity for family businesses like ours to **LEAD THE WAY** in sustainable business practices
- Neither

Corporate social responsibility



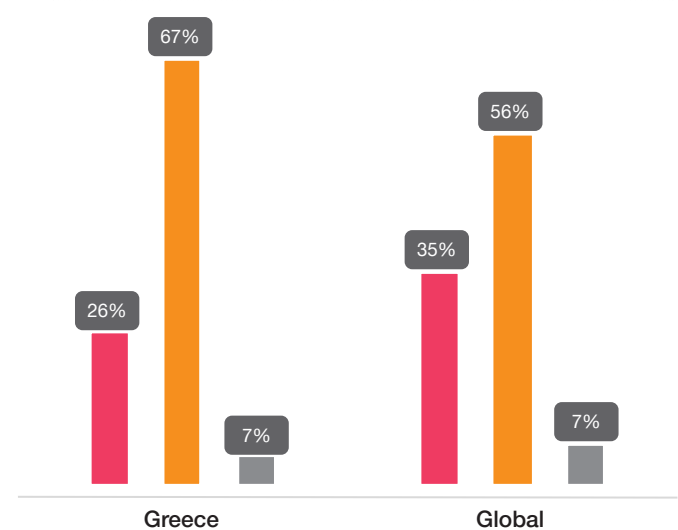
- We invest in a **STANDALONE** corporate social responsibility programme
- Corporate social responsibility is **CORE TO EVERYTHING WE DO**
- Neither

Benefits for planet and society



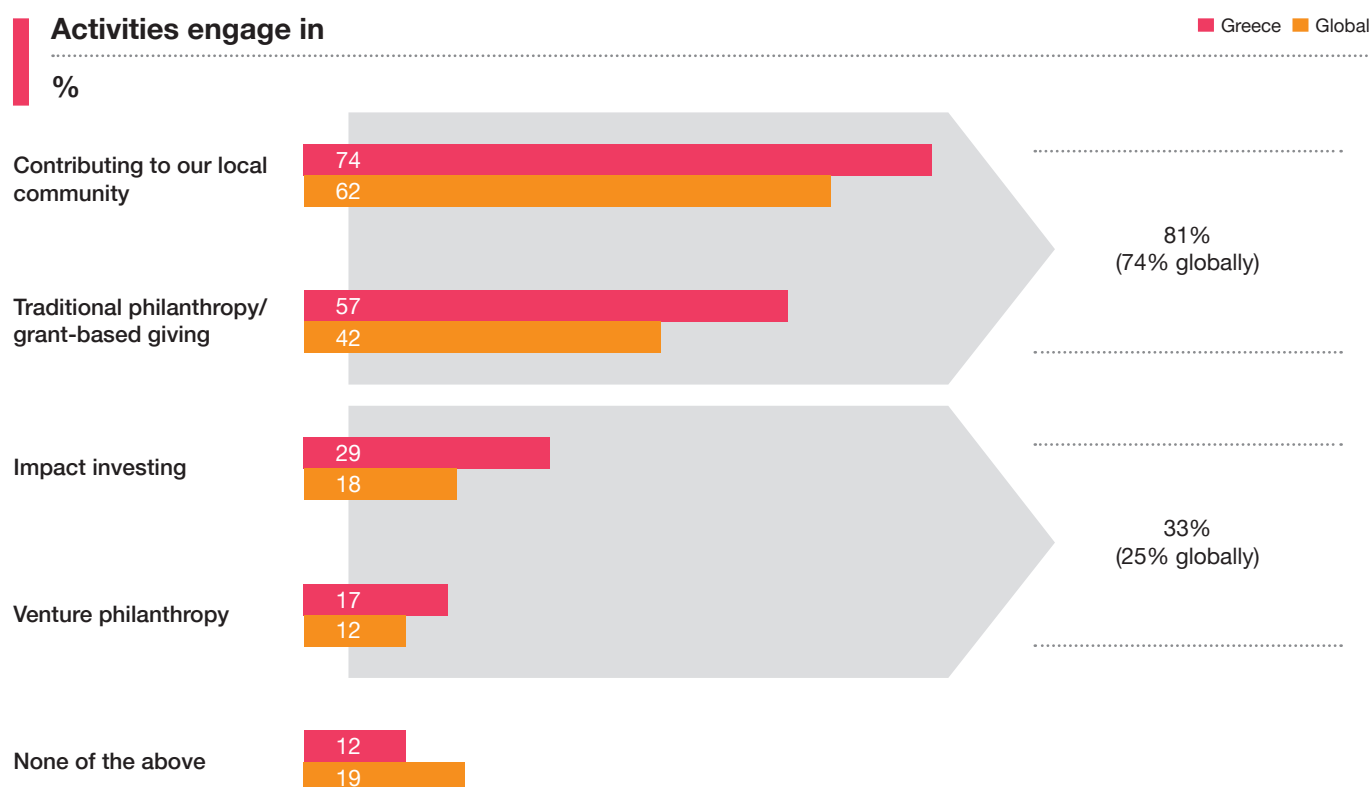
- We will play our part but it is the **ROLE OF GOVERNMENT** not businesses like ours to deliver greater benefits for the planet and human society
- In order to succeed going forward **OUR BUSINESS** is going to need to deliver greater benefits for the planet and human society
- Neither

Paying taxes



- We see **TAX AS A COST TO THE BUSINESS**, which needs to be minimised to stay competitive
- We see the **VALUE IN PAYING OUR FAIR SHARE OF TAXES** as good corporate citizens
- Neither

... but most of them are focused on traditional forms of social responsibility activities, such as contribution to the local community or philanthropy.



Although the majority of the Greek Family Businesses feel that they have a responsibility towards sustainable development, few have developed and communicated a sustainability strategy.



Climate change, sustainability & contribution to community

%

■ Greece ■ Global

We have a responsibility to fight climate change and its related consequences



We ensure sustainability is at the heart of everything we do



We contribute strongly to the community



We have a developed and communicated sustainability strategy which informs all our decisions



Development and communication of sustainability strategy in Greek Family Businesses





3

The importance of Digitilisation and the need for strong Digital Capabilities

The pandemic demolished any lingering doubts about the benefits of digital transformation. Digitalised services became the norm overnight, and businesses with established digital capabilities fared better than those that had to scramble to keep up. Family businesses recognising the importance of building strong digital capabilities will continue to perform better.

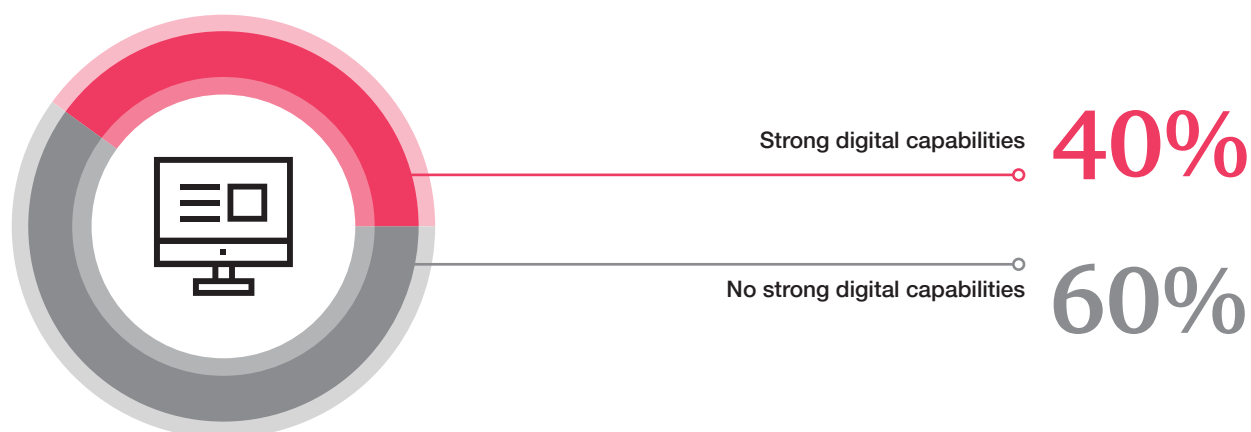
Whilst digitalisation, innovation and technology are among the top priorities for Greek Family Businesses, 60% of them acknowledge that they do not have strong digital capabilities.

Key priorities over the next two years (Top 5) – Greece

%



Digital capabilities in Greek Family Businesses



Few Greek Family Businesses say that they have strong digital capabilities and they are no longer a priority.

Almost 1/3 acknowledge that they don't have strong digital capabilities, but it is a priority for them.

Summary of Greece digital capabilities and priorities?

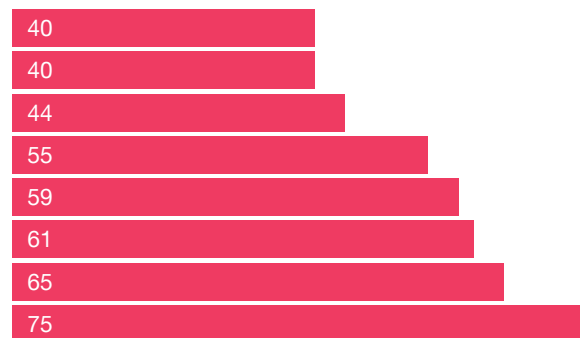
%



Steps global peers will take to improve digital capabilities

%

- Develop a clear and documented roadmap for digital transformation
- Next gen take an increased role (among those with next gen in FB)
- Use technology to improve compliance / reporting capability
- Use technology to create new business opportunities
- Invest in the required digital capabilities among our employees
- Use technology to create a superior customer experience
- Use technology to access relevant data for improved decision making
- Use technology to drive efficiency and collaboration in the business



■ Use technology to improve compliance / reporting capability



4 Corporate Governance- Closing the Gap between aspirations and the need to formalise key policies

Family businesses are complex, given the nature of the personal relationships on which they are built. The same relationships between family members and across generations that allow them to act and adapt quickly can also hold them down, limit their progress and jeopardise their future. There appears to be a gap between the existence of values, company mission and accepted leadership structures and the formalisation of family and corporate governance policies and their communication. These could enhance the effectiveness and strengthen continuity and success for the family businesses.

Close to 90% of Greek FBs have a clear sense of company and/or family values. Most are positive about clarity of roles and strength of leadership and most feel that they embrace, rather than resist, change...

Family values, mission and vision

%

■ Greece ■ Global

The family that owns the business has a clear set of family values



The family have a clear sense of agreed values and purpose as a company



The values of the family that owns the business define clear expectations for family members



The family have a documented vision and purpose statement (mission) for your company



The family have a defined code of conduct



The family have the family values and mission for the company articulated in written form



Business function

%

■ Greece ■ Global

We have a strong leadership team in place



We have access to reliable/timely info/data that feeds into the decision-making process



There are clear roles and responsibilities for those involved in running the business



We have a clear and flat governance structure



We have the ability to change course at short notice because of the company's liquidity



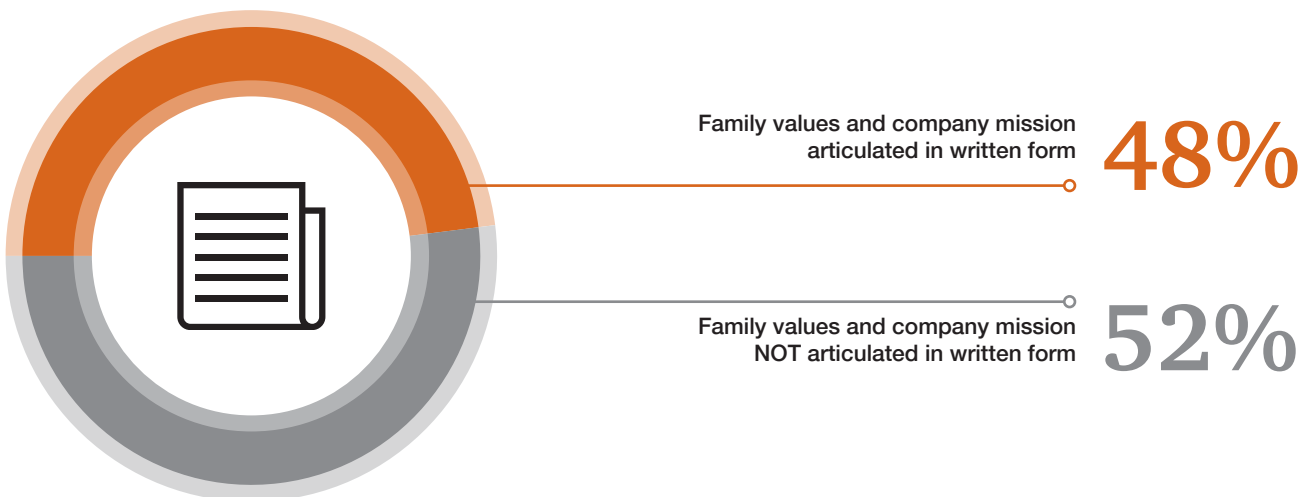
We have strong digital capabilities



There is a resistance within the company to embrace change



...however, fewer than half of the Greek Family Businesses have their values and company mission formalised and articulated.



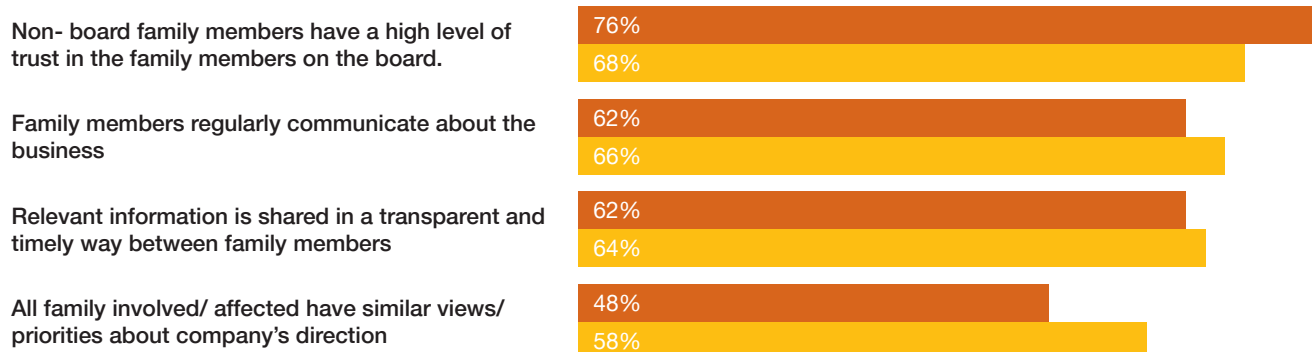
Family businesses noted that their clear sense of agreed values and the company purpose assisted them to overcome the crisis. These used to be things that family businesses internalised and did not share with the public and external stakeholders. Having the values and mission formally documented in written form, will facilitate their communication, internally and externally, and enhance their effectiveness thereby adding value to the company.

Levels of trust, transparency and communication are felt to be quite high. Nevertheless, only 48% say there is family alignment on company direction.

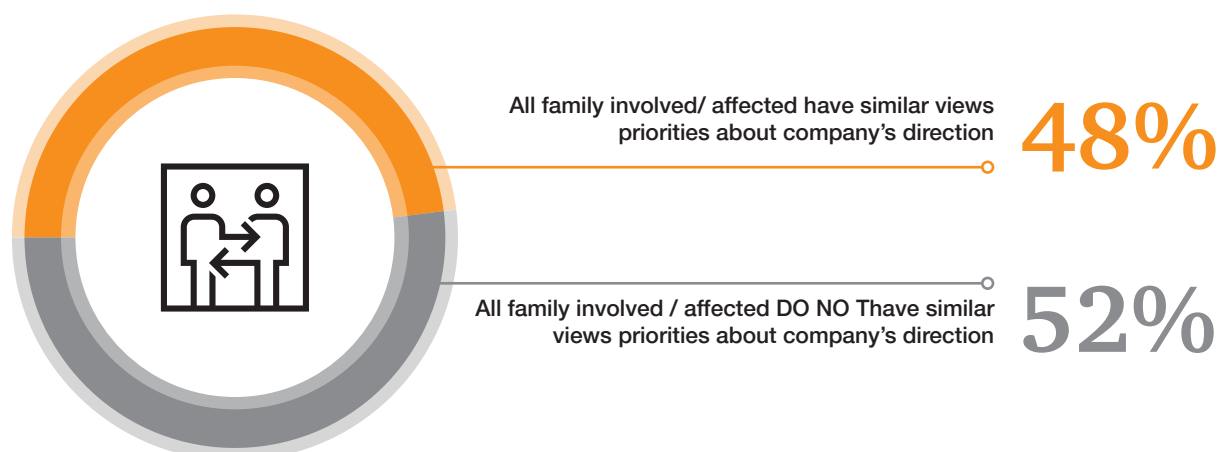


Levels of trust, communication and transparency among family members

■ Greece ■ Global



Alignment between Greek family members

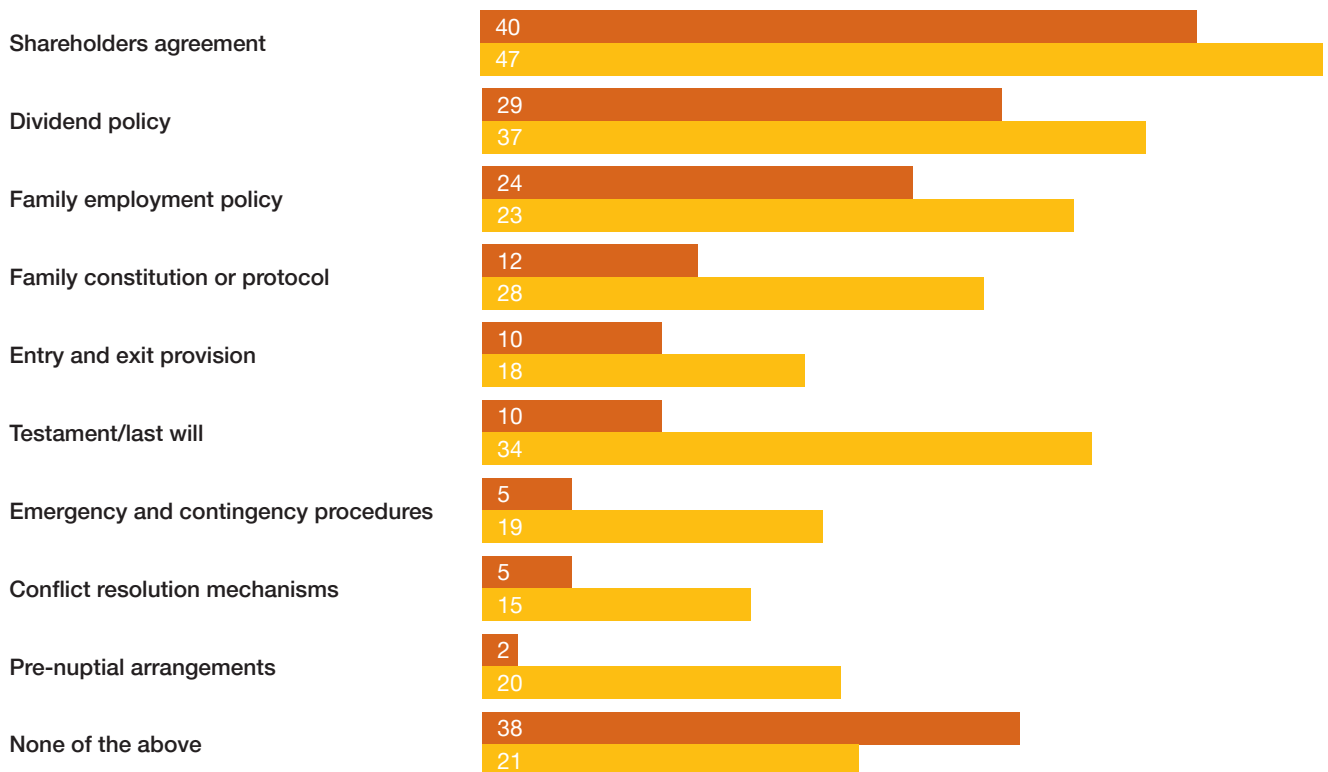


In the formalisation of governance policies, Greek Family Businesses seem to be below their global peers. Only 62% of Greek Family Businesses have some form of written governance policy in place.

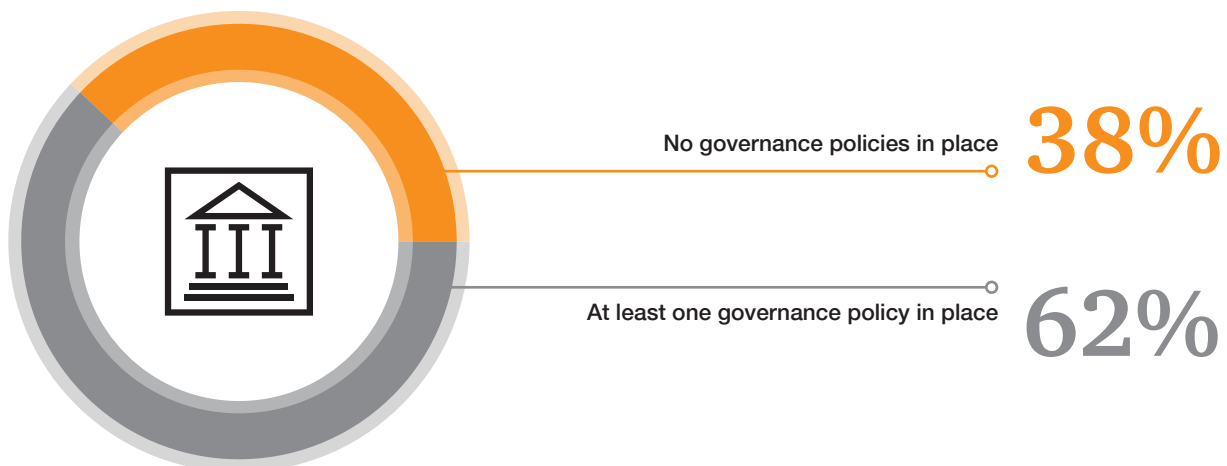
Governance policies in place?

■ Greece ■ Global

%



How many governance policies (from the list on the left) do Greek family businesses have?



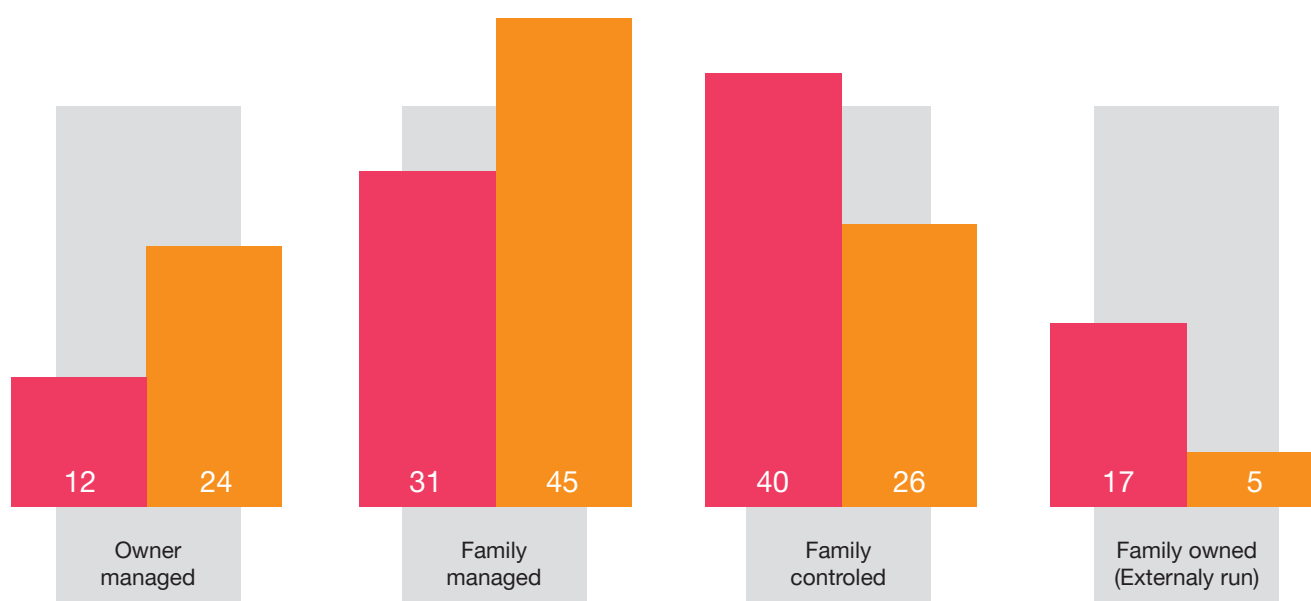
The formalisation of governance policies is even more important, as family businesses expect to see a shift in the way they are managed/controlled in the future.



Governance structure in five years' time?

%

Now Five years' time





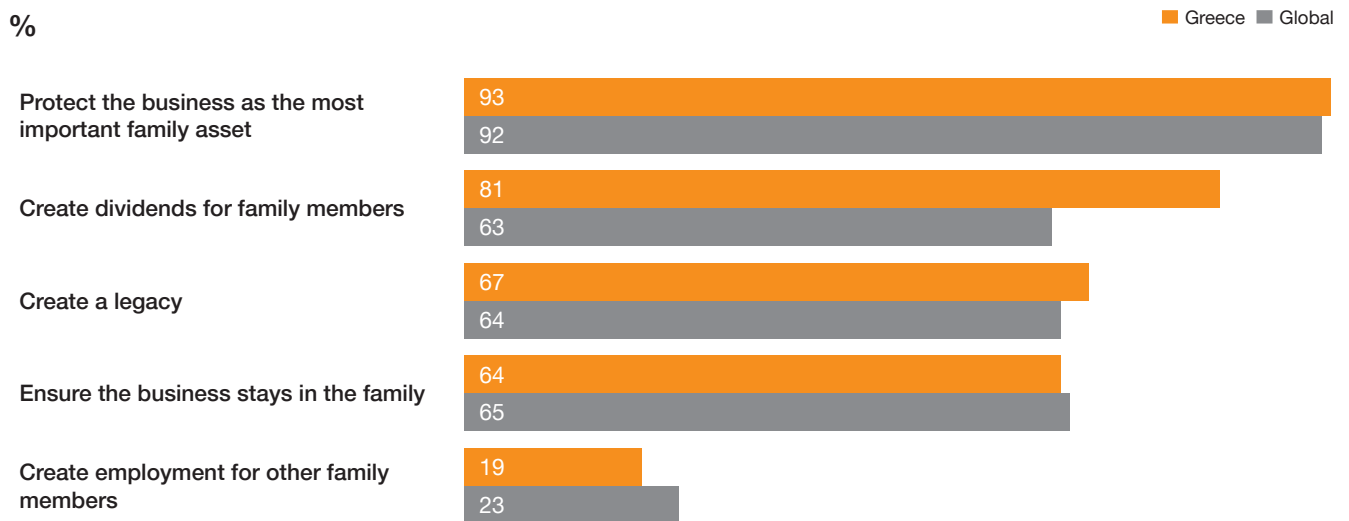
5

The importance of Succession Planning and Conflict Resolution Mechanisms

The vast majority consider the family business as the most important and valuable asset in the family and expect to pass-it on to the next generation, creating a legacy. Yet only 24% of them have a robust succession plan in place. Conflicts occur within the family businesses and across countries and generations they have been quite disruptive and destructive. The majority of Greek Family Businesses acknowledge the occurrence of conflicts, but only 5% claim to have a formal conflict resolution mechanism in place.

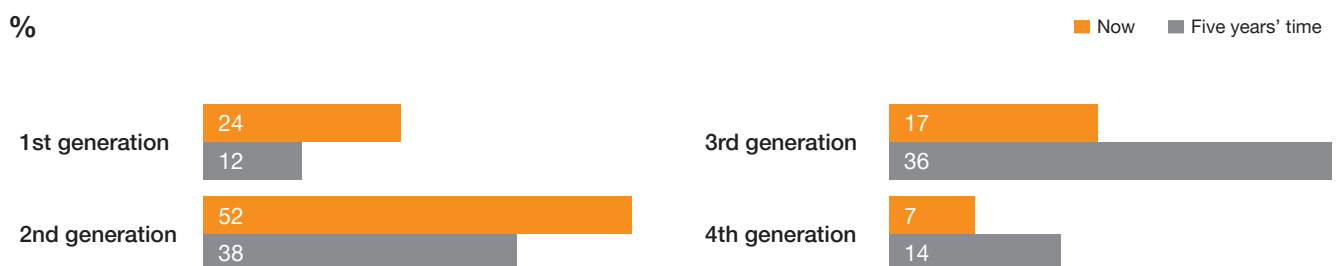
In the longer term, over 90% of Greek Family Businesses want to protect the business as the most important family asset. A large percentage wants to create a legacy and ensure that the business stays in the family.

Important personal long term goals (5+ years)



Greek Family Businesses expect that the next generation will become majority shareholders in the next five years.

Shareholder majority in five years' time?

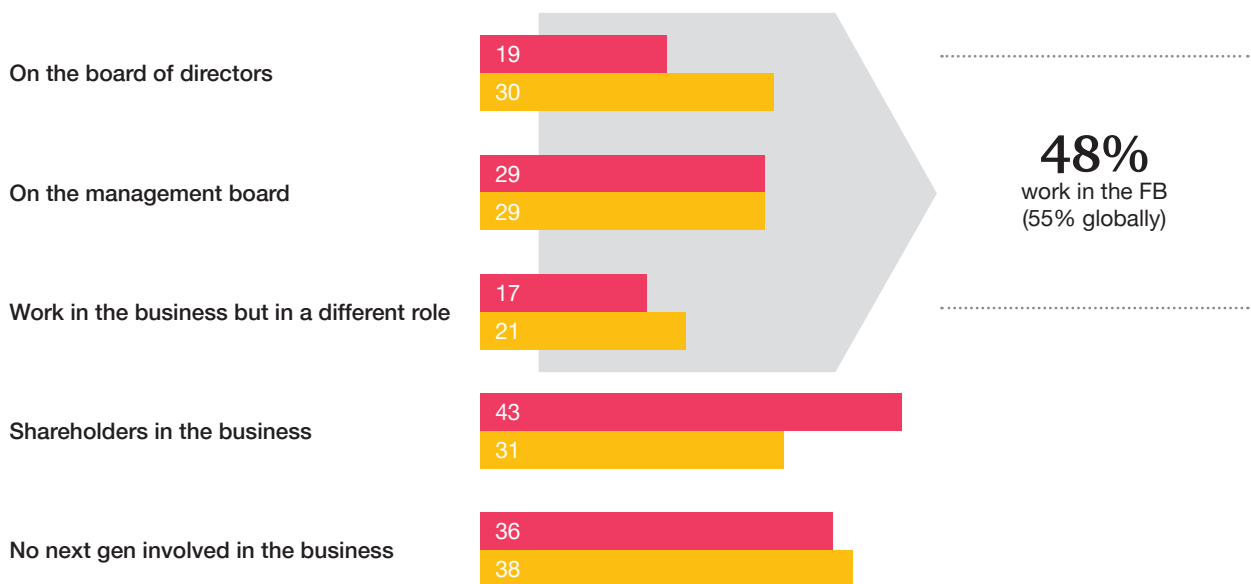


In line with their international peers, about half of Greek businesses have next generation family members working in the business. Only 24% of them have a robust succession plan in place.

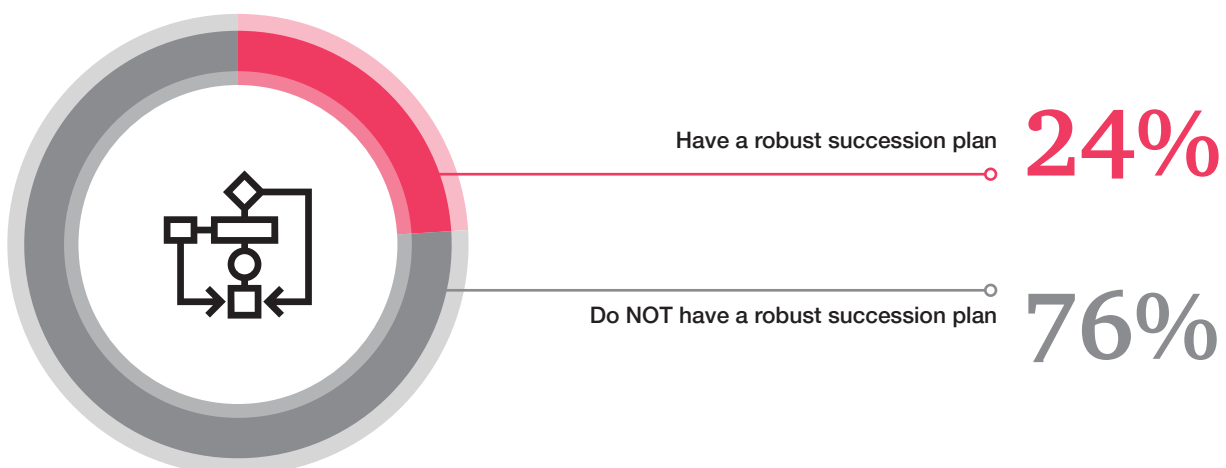
Next gen involvement?

%

■ Greece ■ Global



Do Greek Family Businesses have a robust, documented and communicated succession plan in place?



Three quarters of Greek FBs acknowledge family conflict occurs within the business. Typically it is handled/discussed within the family without using third parties or formal resolution mechanisms. Only 5% of Greek Family Businesses stated that they have a conflict resolution mechanism.

Does family conflict within the business occur?

% ■ Greece ■ Global

Never



Seldom



From time to time



Regularly



How is this conflict handled?

% ■ Greece ■ Global

Conflict is handled within the immediate family



Conflict is discussed openly by the family



We use a third-party conflict resolution service



We ignore conflict because of societal norms



We apply our conflict resolution mechanism





6

Appendix: Survey Background



About the Family Business Survey

The Family Business Survey is a global market survey among key decision makers in family businesses within a number of PwC's key territories. The goal of the survey is to get an understanding of what family businesses are thinking on the key issues of the day.



2,801
interviews conducted with
key decision makers in family
businesses



Online interviews averaging 17-18
minutes and conducted in local
language



Interviews were conducted
between 5 October and
11 December 2020



Across **87** territories

**2,801 interviews
conducted in
87 territories**

between
5 Oct. and 11 Dec.
2020



Europe

1061

Middle East

73

Africa

231

North America

205

Latin America

413

Asia-Pacific

817

Note: Sum of surveys doesn't total to 2,801, because one respondent was unable to select a territory.

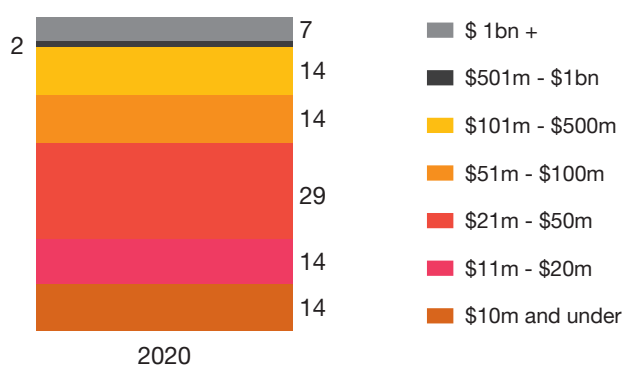
Source: PwC Family Business Survey 2021

Greece company profile

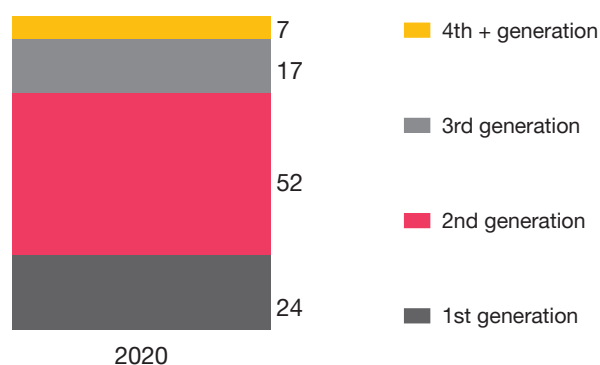
which companies
have we
interviewed?

*Turnover (sales) (US\$)

%



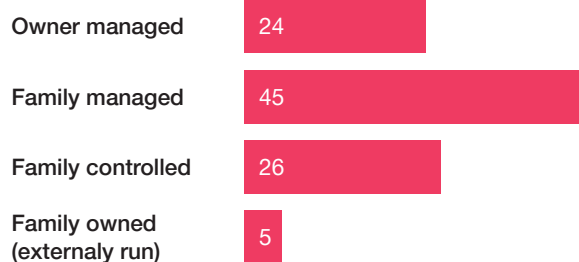
Shareholder Majority



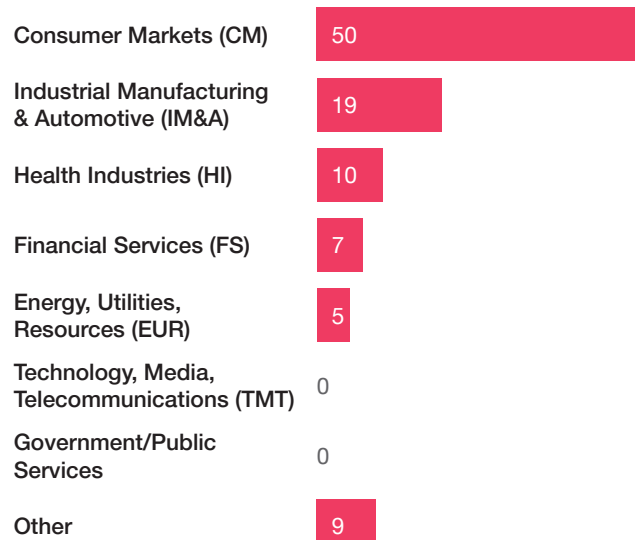
On average, 13% of 2019 sales was new products/services

* Numbers do not add up to 100 due to rounding

Family's Role in the Business



Sector (2020)

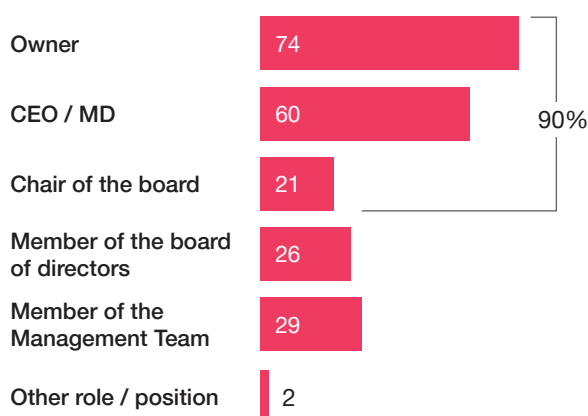


Greece respondent profile

who have
we spoken to?

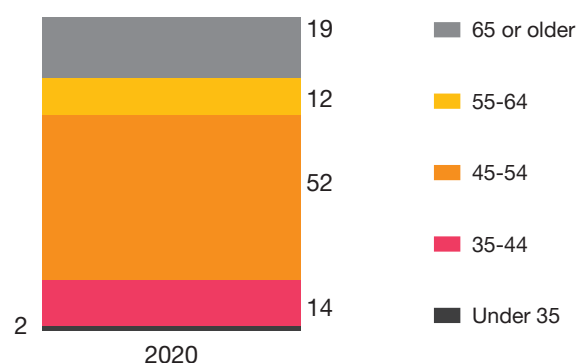
* Current Job Role/Position

%

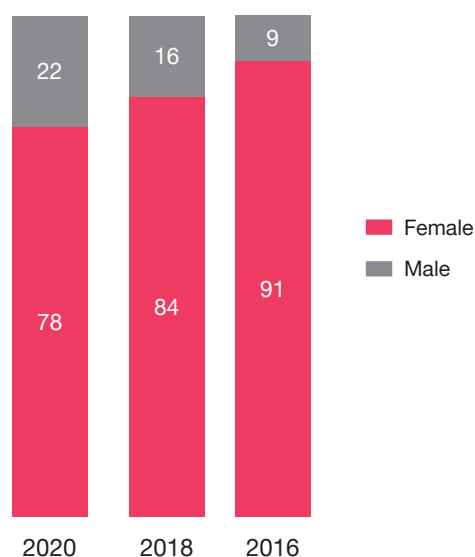


* Numbers add up to more than 100 because members may hold more than one position

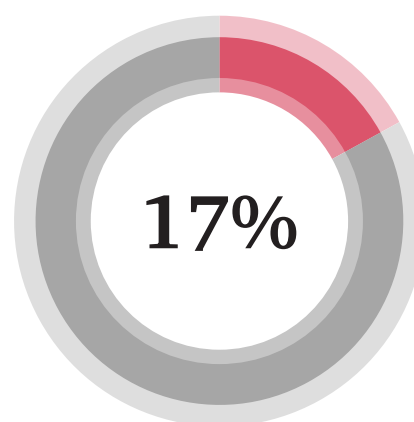
Age



Gender



*Family Business Network member



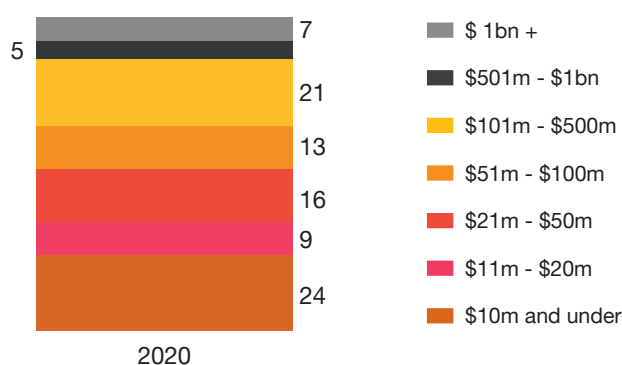
* The Family Business Network is the world's leading organization of business families. It's purpose is to enable business families to thrive and transform across generations to build a sustainable future.

Global company profile

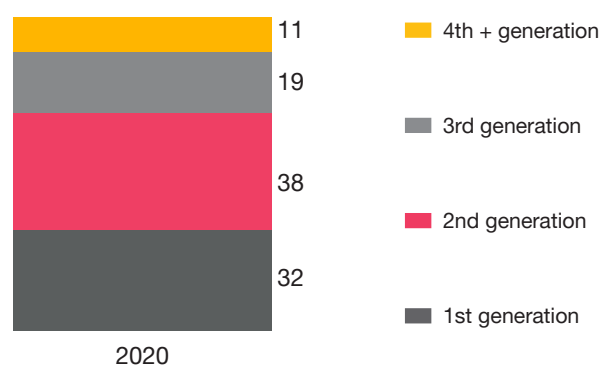
which companies have we interviewed?

*Turnover (sales) (US\$)

%



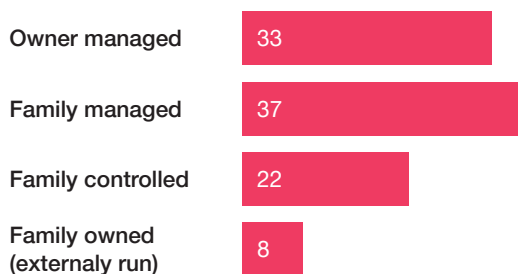
Shareholder Majority



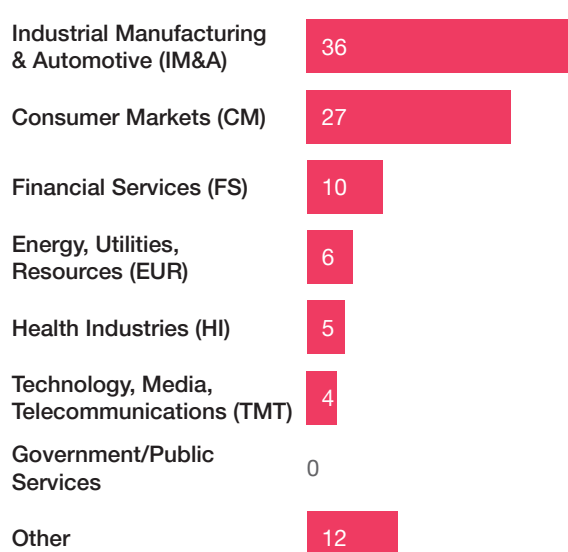
On average, 11% of 2019 sales was new products/services

* Numbers do not add up to 100 due to rounding

Family's Role in the Business



Sector (2020)

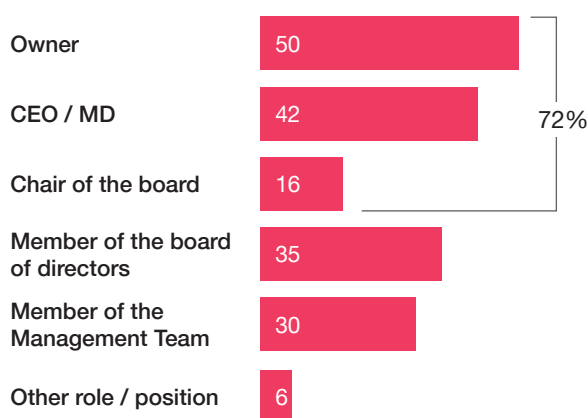


Global respondent profile

who have we spoken to?

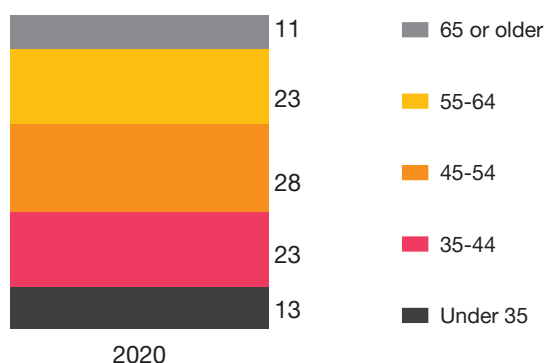
* Current Job Role/Position

%

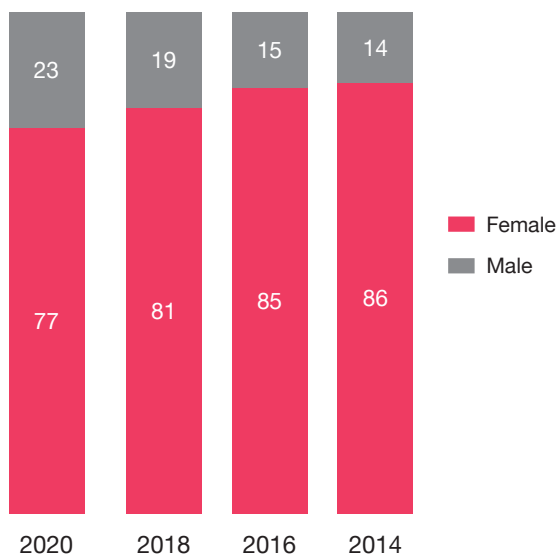


* Numbers add up to more than 100 because members may hold more than one position

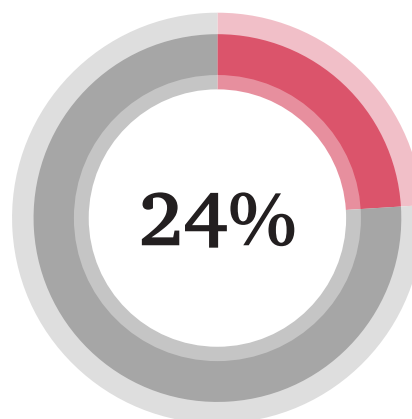
Age



Gender



*Family Business Network member



* The Family Business Network is the world's leading organization of business families. It's purpose is to enable business families to thrive and transform across generations to build a sustainable future

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