



Greek entrepreneurship *at the cross roads*

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2 A look into the future through the eyes of 2,300 CEOs around the world

3 The challenges for Family Businesses, which dominate the Greek economy

4 The Themes for Family Businesses



CEO Survey & Family Business Survey 2016



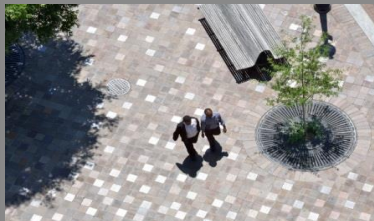
Higher uncertainty around the globe

- Negotiations between EU - United Kingdom with regards to Brexit to start
- Elections of major importance in the Netherlands, Germany, France
- Possible elections in Italy
- Rise of Eurosceptic parties
- Market uncertainty about the approach of the new US government in issues such as tax reform, deregulation, infrastructure spending and their potential impact on the domestic economy
- Uncertainty regarding the timing of the next Fed rate hike and the pace of rate tightening ahead
- Threat of undercapitalized European banks arising from the insufficient coverage of capital needs
- Difficulties in the recapitalization of Italian banks



Uncertainty and limited growth for Greece in 2017

- Consumption just stabilising but disposable income is under tax pressure and saving/credit flows are stagnant leading to low investment rates
- The structural weakness of the State persist despite fiscal surpluses
- The completion of the ongoing assessment could be delayed, possibly to April 2017. If the assessment is not complete by then, there will be a severe state funding gap
- The European Commission and the IMF are anticipated to agree on its participation to the Greek program with the debt relief issue to be dealt with in 2018
- The likelihood of significant growth for 2017 is low and joining the QE programme of ECB is on the path to faster growth in the short term



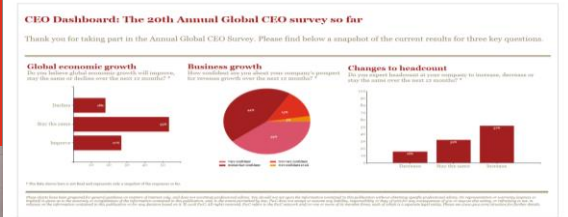
2,311 questionnaires
completed in 2016 with
1,379 included in
global reporting



2,071 members of
the CEO Panel invited
to participate via the
online survey

Country	Total number of responses	Number of responses from CEOs	Number of responses from CFOs	Number of responses from other executives	Number of responses from non-executives	Number of responses from non-employees	Number of responses from non-residents	Number of responses from non-respondents
United States	100	100	100	100	100	100	100	100
United Kingdom	100	100	100	100	100	100	100	100
Germany	100	100	100	100	100	100	100	100
France	100	100	100	100	100	100	100	100
Italy	100	100	100	100	100	100	100	100
Spain	100	100	100	100	100	100	100	100
Japan	100	100	100	100	100	100	100	100
China	100	100	100	100	100	100	100	100
India	100	100	100	100	100	100	100	100
South Africa	100	100	100	100	100	100	100	100

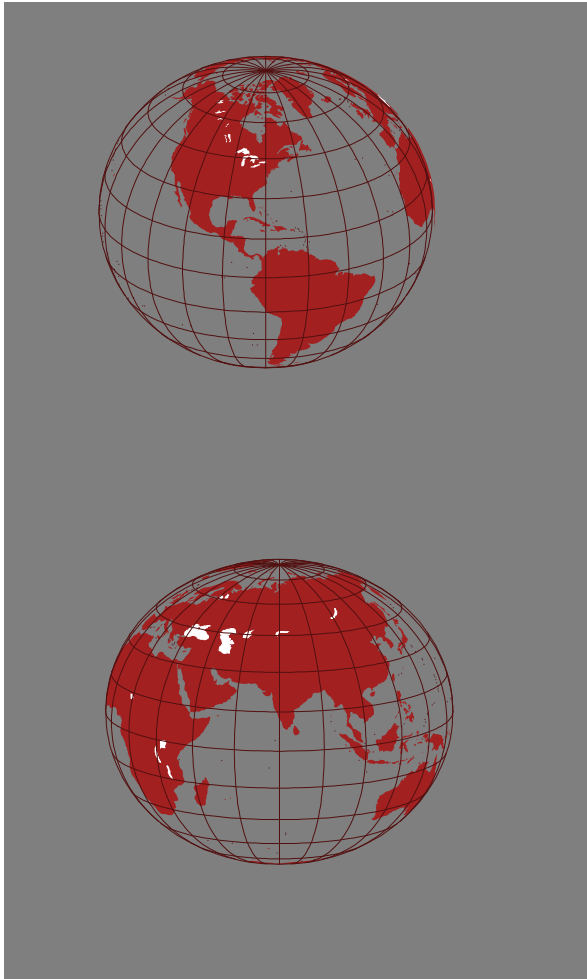
Editorial board to be
given access to
refreshed online
reporting tool



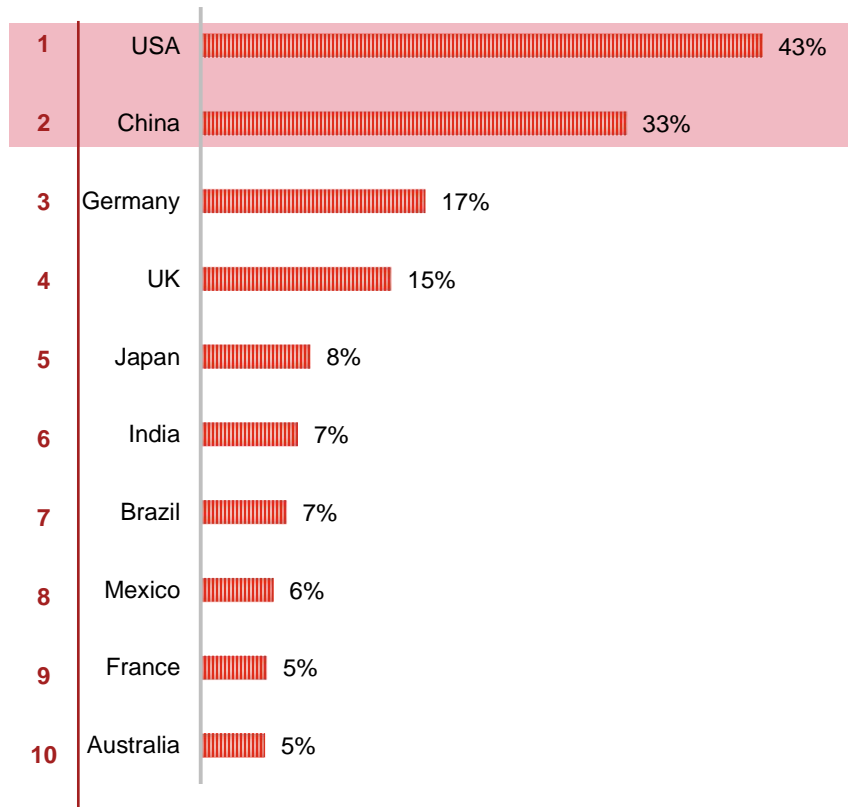
CEOs given access to real time
results dashboard

*A look into the future through the
eyes of 2,300 CEOs around the world*

USA and China are the two main drivers of economic growth



Ranking of most important country for overall growth prospects 2017



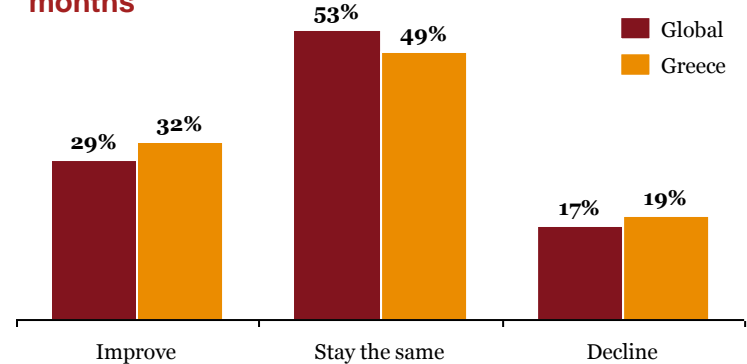
Base: All respondents (1,379)



Positive growth prospects for 2017 globally

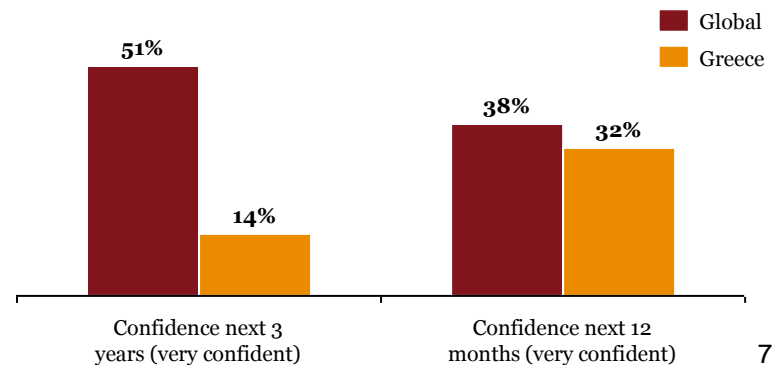
Greek CEOs believe that there will be a global economic growth in 2017, but the majority does not feel confident about their company's long term prospects for revenue growth

Global economic growth over the next 12 months



Base: All respondents (Global=1,379; Greece=37)

CEOs confidence about their company's revenue growth

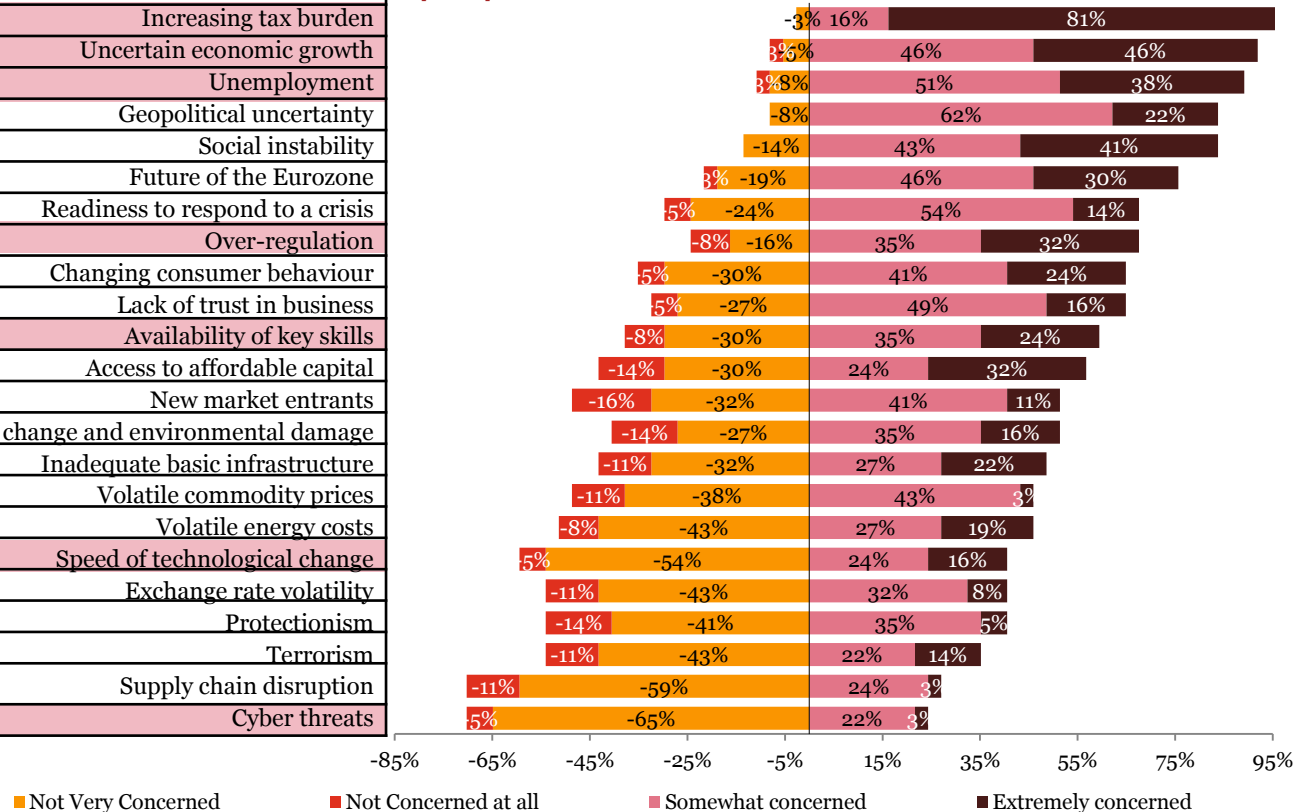


Base: All respondents (Global=1,379; Greece=37)

Greek CEOs have different concerns from their peers about the future

Total Global* 'concerned'	Total Greek* 'concerned'	
68%	97%	Increasing tax burden
83%	92%	Uncertain economic growth
45%	89%	Unemployment
74%	84%	Geopolitical uncertainty
68%	84%	Social instability
56%	76%	Future of the Eurozone
59%	68%	Readiness to respond to a crisis
79%	68%	Over-regulation
66%	65%	Changing consumer behaviour
58%	65%	Lack of trust in business
76%	59%	Availability of key skills
42%	56%	Access to affordable capital
58%	52%	New market entrants
50%	51%	Climate change and environmental damage
55%	49%	Inadequate basic infrastructure
55%	46%	Volatile commodity prices
49%	46%	Volatile energy costs
71%	40%	Speed of technological change
69%	40%	Exchange rate volatility
59%	40%	Protectionism
54%	36%	Terrorism
49%	27%	Supply chain disruption
62%	25%	Cyber threats

Greek CEOs concerns about the economic, policy, social, environmental and business threats to their company's growth prospects



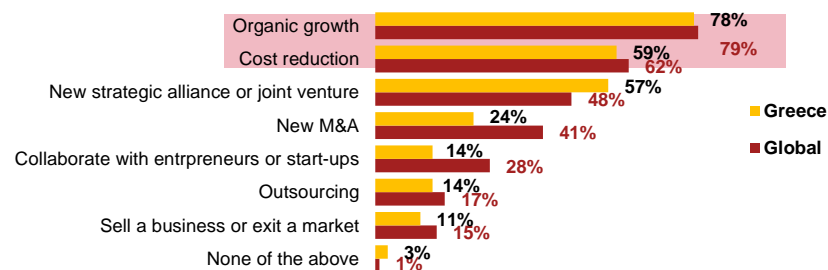
Base: All respondents (Global=1,379; Greece=37)



Organic growth and cost reduction are the top CEO priorities worldwide

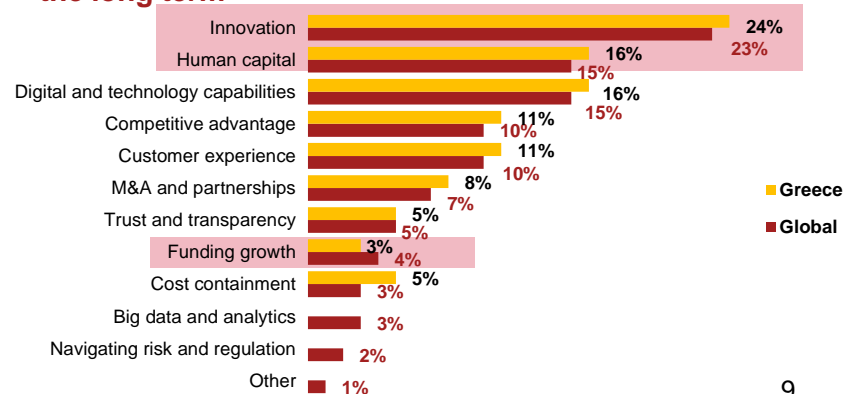
- Innovation, human talent and digital technology are considered key to achieving growth
- Funding for growth is not perceived as a top priority for Greece

Top CEOs short term priorities in order to increase corporate growth and profitability



Base: All respondents (Global=1,379; Greece=37)

Top priorities to capitalise on new opportunities over the long term

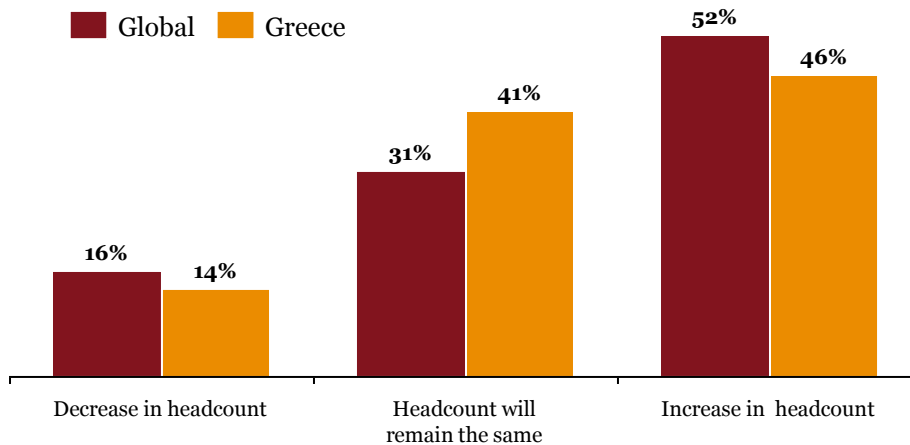


Base: All respondents (Global=1,379; Greece=37)



Within a 12 month horizon CEOs plan to increase their workforce

Headcount changes over the next 12 months



Base: All respondents (Global=1,379; Greece=37)

Only 14% of Greek CEOs are thinking of reducing company's headcount over the next year



Technology appears to be the answer to market competition

Technology will change company's competition in the future



It will completely reshape competition in my industry



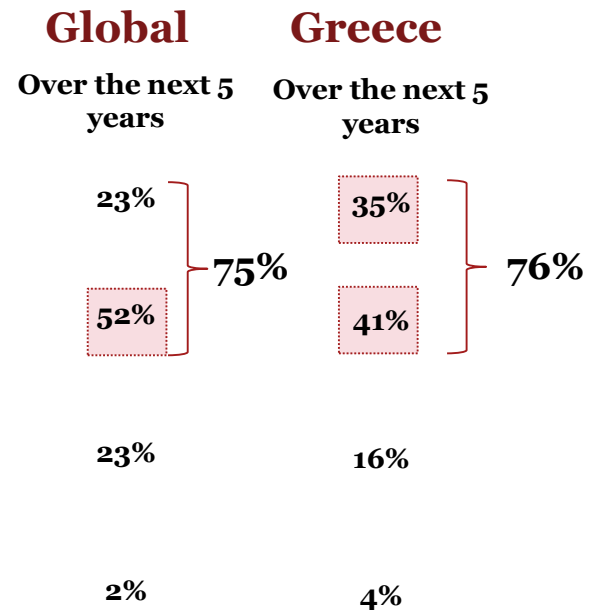
It will have a significant impact on competition in my industry



It will have a moderate impact on competition in my industry



It will have no impact on competition in my industry



Base: All respondents (1,379)

PwC

2,802

Semi-structured interviews
conducted so far with key
decision makers in family
businesses with a sales
turnover of \$5m+



Across **50**
countries



34 interviews were
conducted in Greece

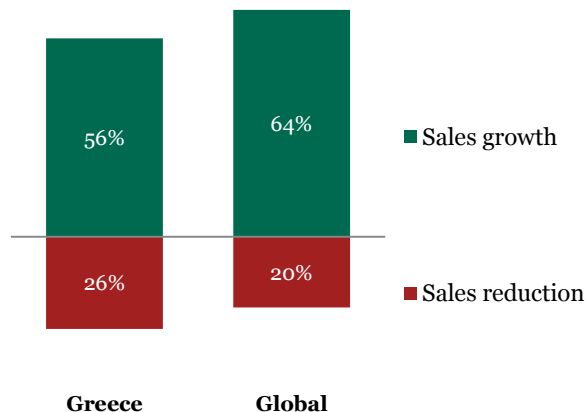
The challenges for Family Businesses, which dominate the Greek economy



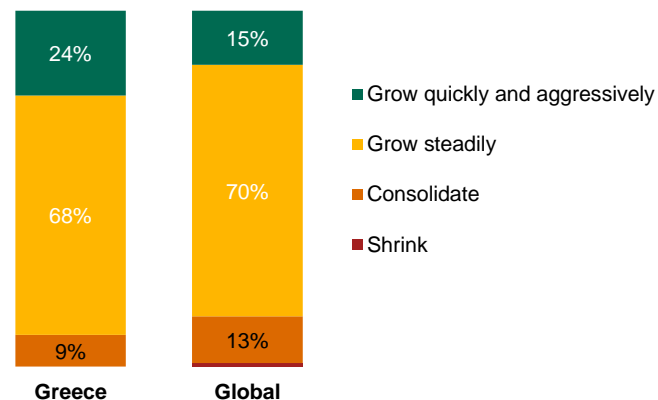
A view into the future

Lower growth prospects, but 92% of Greek family businesses aim to grow in the next five years versus 85% globally

Growth in 2016



Growth aims over the next five years



Base: All respondents (2016: Greece=34, Global=2802)

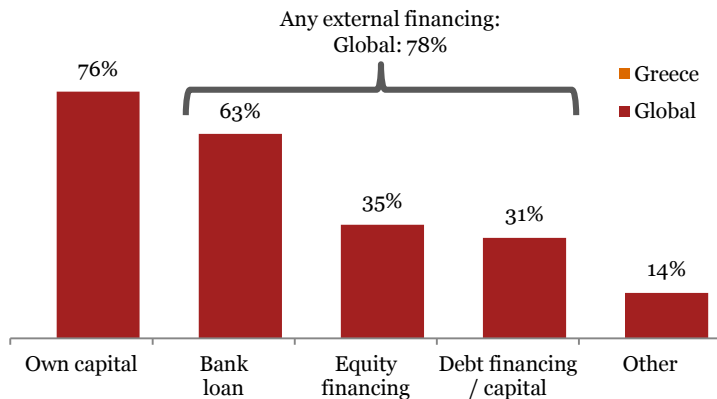
Base: All respondents (2016: Greece=34, Global=2,802)



A view into the future

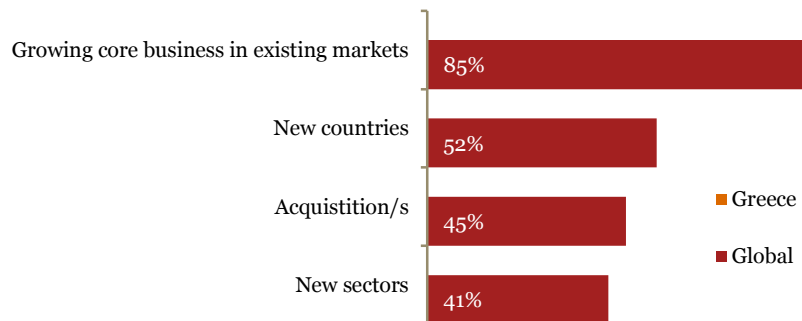
Growth is expected to come from the core business in existing markets and funded mainly by own capital and debt

How plan to finance future growth (10%+growth)



Base: All respondents (2016: Greece=13, Global=1,278)

Areas that will play a big role in growth (10%+growth)



Base: All respondents (2016: Greece=13, Global=1,278)

Q3c. You mentioned earlier than you expect to grow by xx% per year over the next 5 years. How do you plan on financing this future growth?
Q3e. And which of the following areas do you think will play a big role in driving this growth?

PwC

Sample size in Greece too low to show country level results



A view into the future

Market conditions and funding are the key issues facing family businesses

Main issues being faced in Greece in next 12 months



Base: all Greece respondents (2016: n=34)

PwC

Key challenges over the next five years



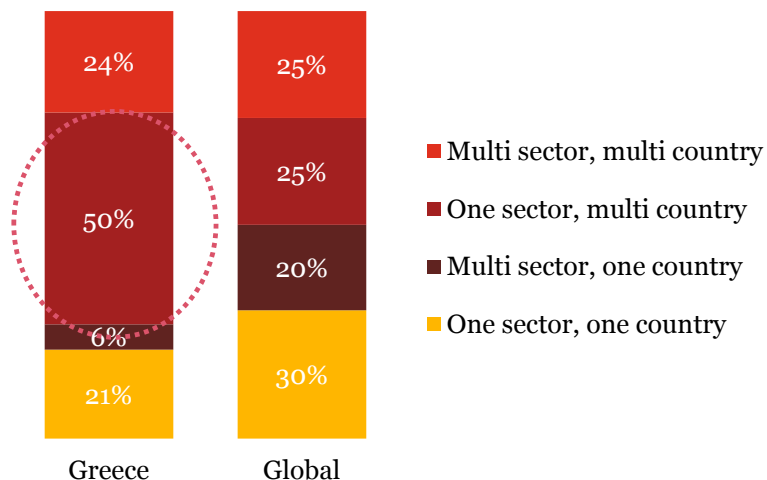
Base: all respondents (2016: Greece=34, Global=2802)



Challenges and Drivers

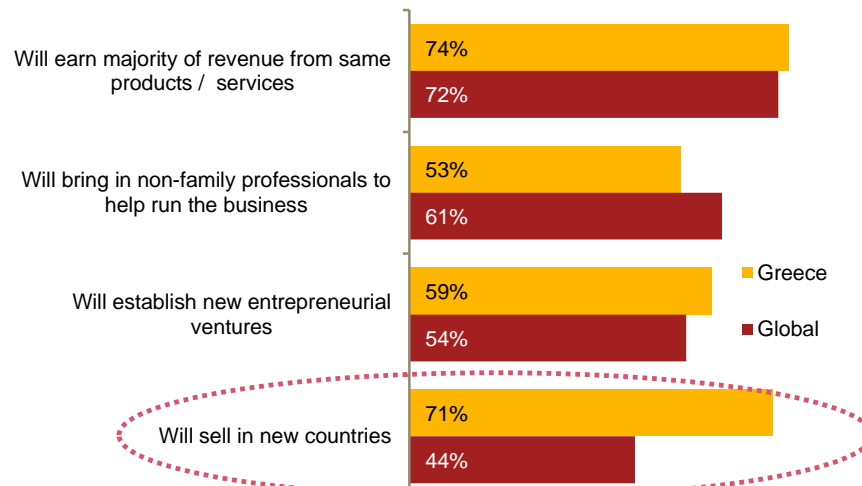
Family businesses focus on current businesses and new international markets

Current business diversification



Base: all respondents (2016: Greece=34, Global=2802)

Future direction of business (five years' time)



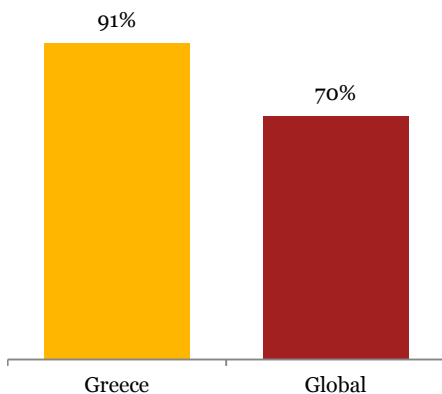
Base: all respondents (2016: Greece=34, Global=2802)



Challenges and Drivers

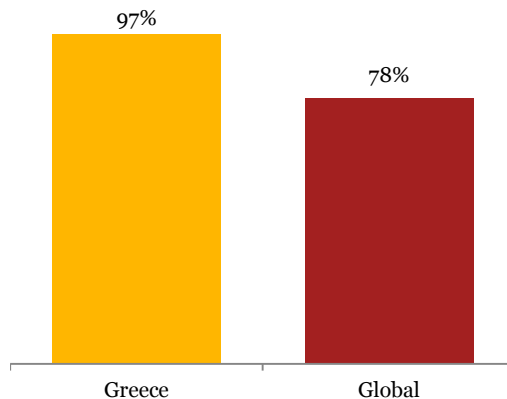
Exports is a key driving force

Current international sales



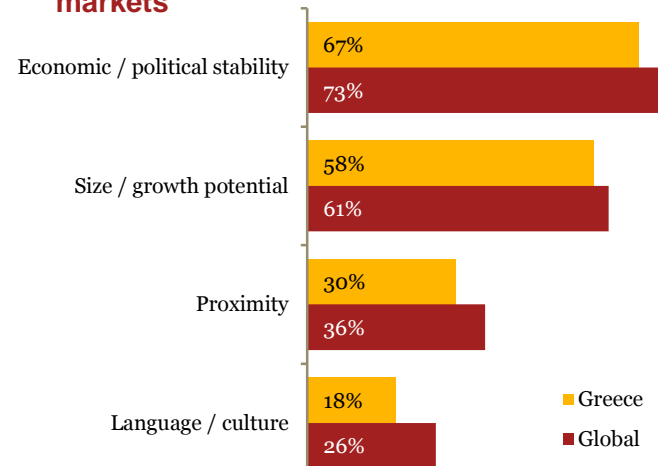
Base: all respondents (2016: Greece=34, Global=2802)

Future international sales



Base: all respondents (2016: Greece=34, Global=2802)

Important factors when deciding on export markets



Base: all respondents (2016: Greece=34, Global=2802)

Q4a. Approximately what percentage of your sales comes from exporting or selling goods and / or services in foreign countries at the moment?

Q4b. And approximately what percentage of your sales do you think will come from exporting or selling goods and / or services to foreign countries in 5 years' time?

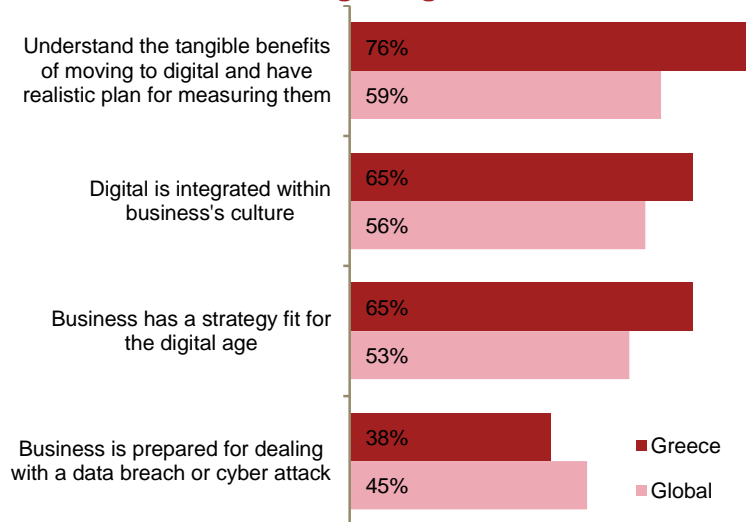
Q5a. How important will the following factors be in deciding which existing countries and/or new countries you will sell your goods and services to in the next 5 years? Please answer using a scale of 1-5, where 5 means it is a very important factor and 1 means it is not particularly important.



Challenges and Drivers

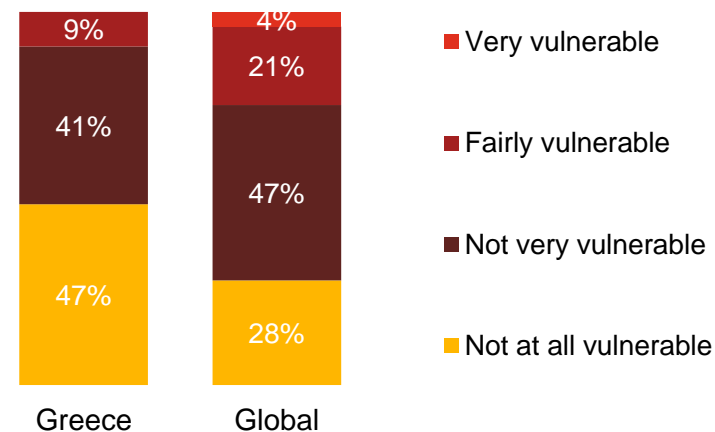
Digital is a challenge and 65% of family businesses claim they have a strategy, but 48% do not feel vulnerable to digital disruption

Readiness for the digital age



Base: all respondents (2016: Greece=34, Global=2802)

Business vulnerability to digital disruption



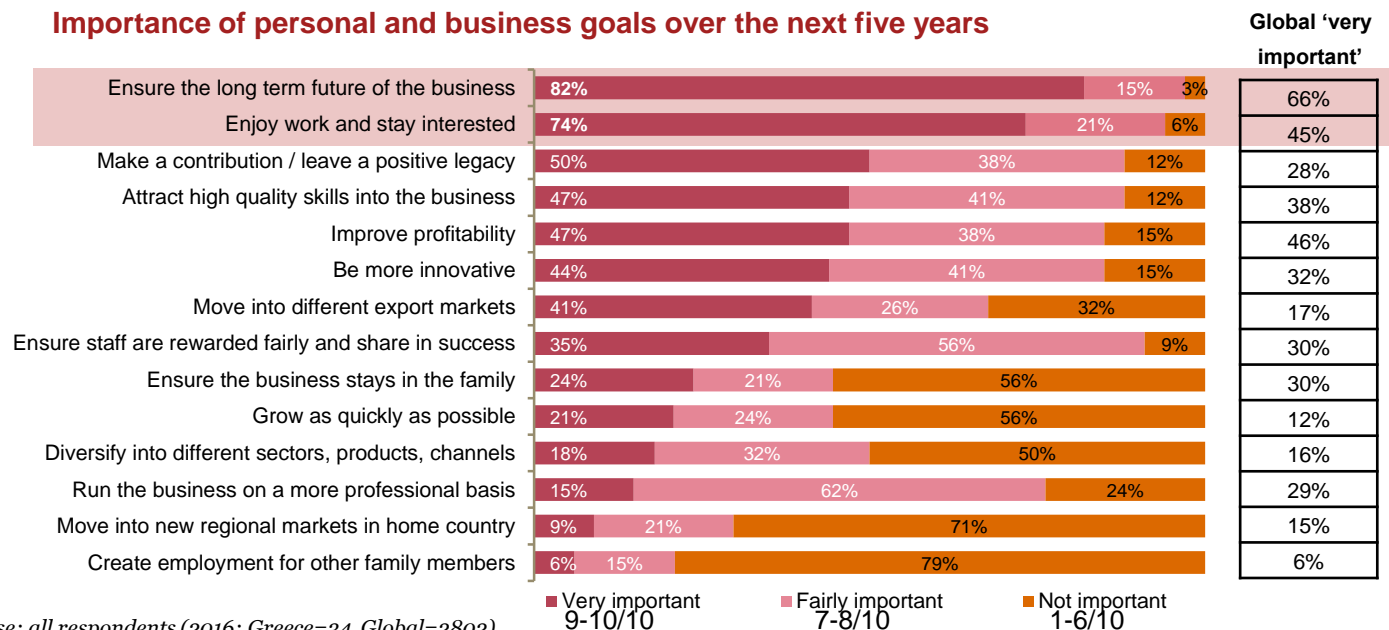
Base: all respondents (2016: Greece=34, Global=2802)



Culture, values and legacy

Greek family businesses are driven by ensuring long term future and they enjoy what they do and want to leave a legacy

Importance of personal and business goals over the next five years





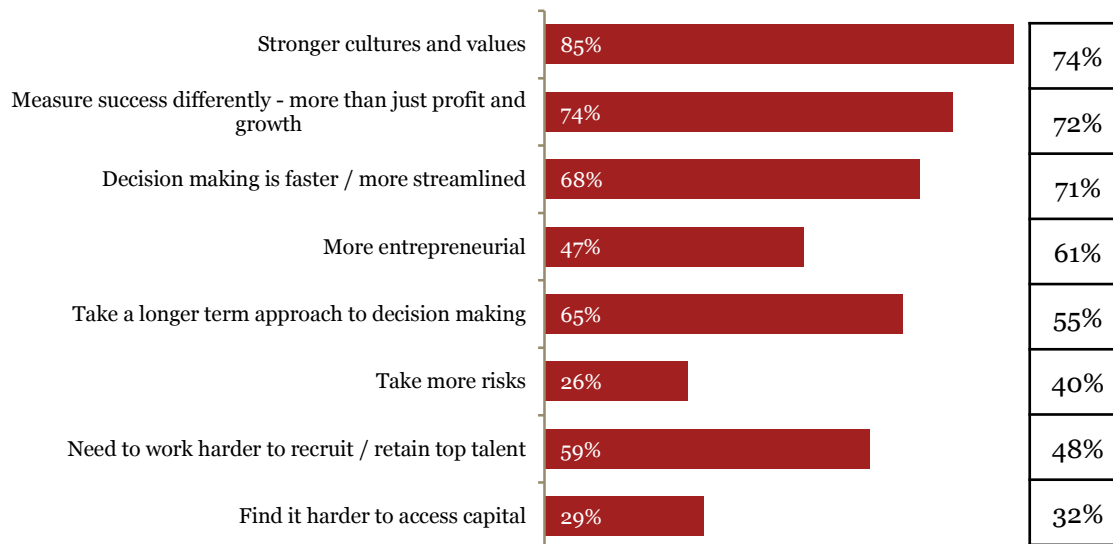
Culture, values and legacy

Culture, values and different notion of success

Faster decision making and longer term perspective are the key differentiators from corporates

How family businesses differ from non-family businesses – % agreeing with statement in Greece

Global

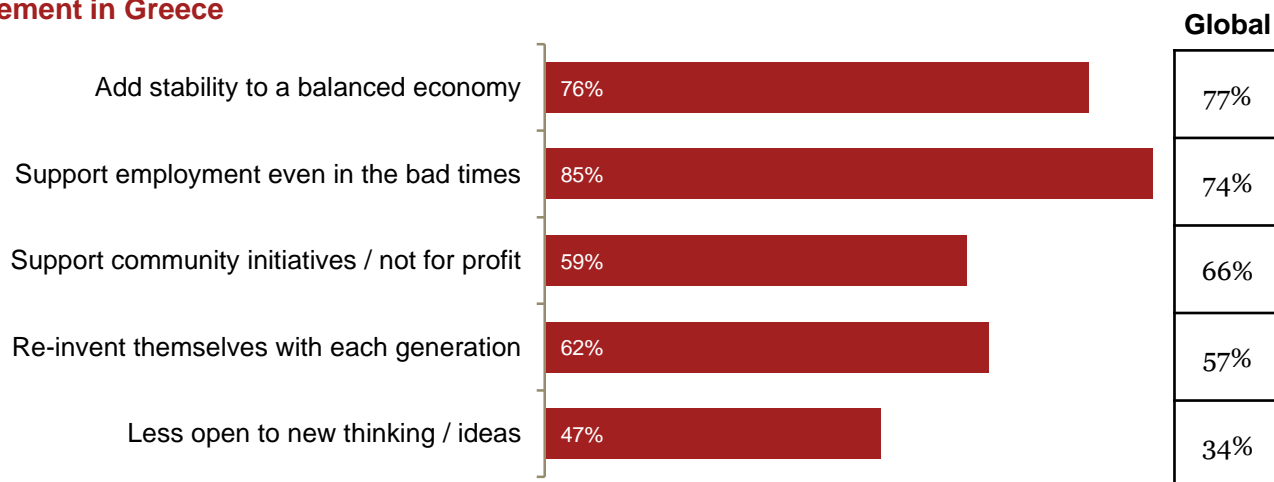




Culture, values and legacy

Entrepreneurs believe they add stability to the economy, provide employment, support the community and reinvent themselves

Strengths and Weaknesses of family businesses - % agreeing with statement in Greece



Base: all respondents (2016: Greece=34, Global=2802)

Q8. Please tell me how much you agree on a scale of 1-5, where 1= Disagree strongly and 5 = Agree strongly

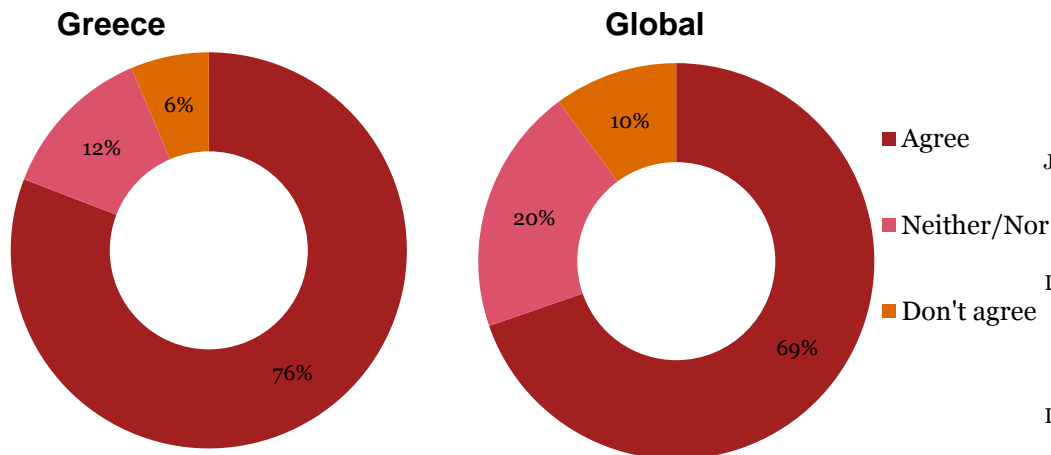


Managing the family business

Family and business strategy are aligned and new generation members are active in the business

Alignment of family and the business

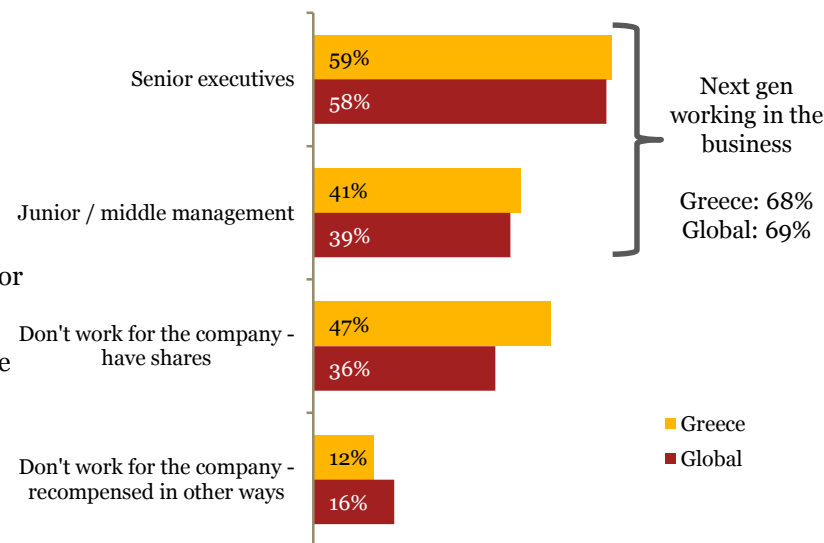
"Think the strategy of the family and the strategy of the business are completely aligned"



Base: all respondents (2016: Greece=34, Global=2802)

PwC

Next generation involvement in the family business



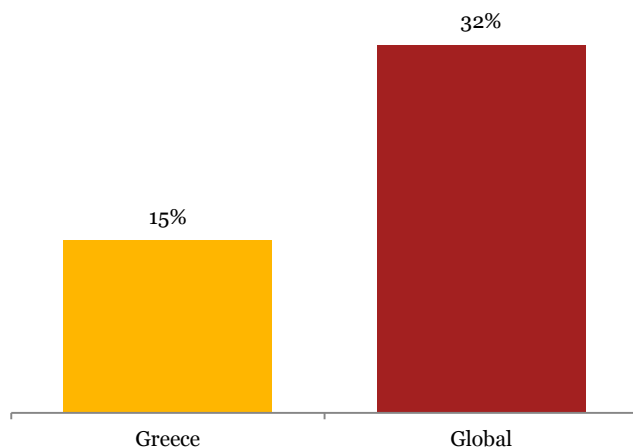
Base: all respondents (2016: Greece=34, Global=2802)



Managing the family business

Typically no family office in Greece...

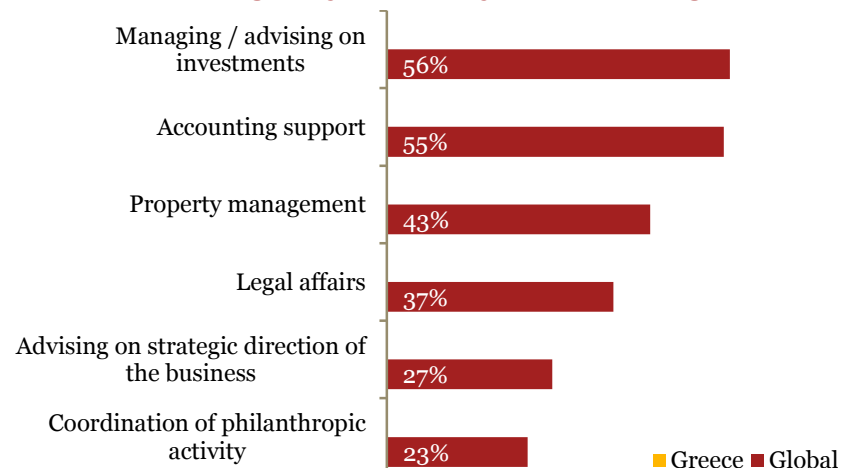
Usage of a 'family office'



Base: all respondents (2016: Greece=34, Global=2802)

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Elements managed by the 'family office' (among users)



Sample size in Greece too low to show country level results

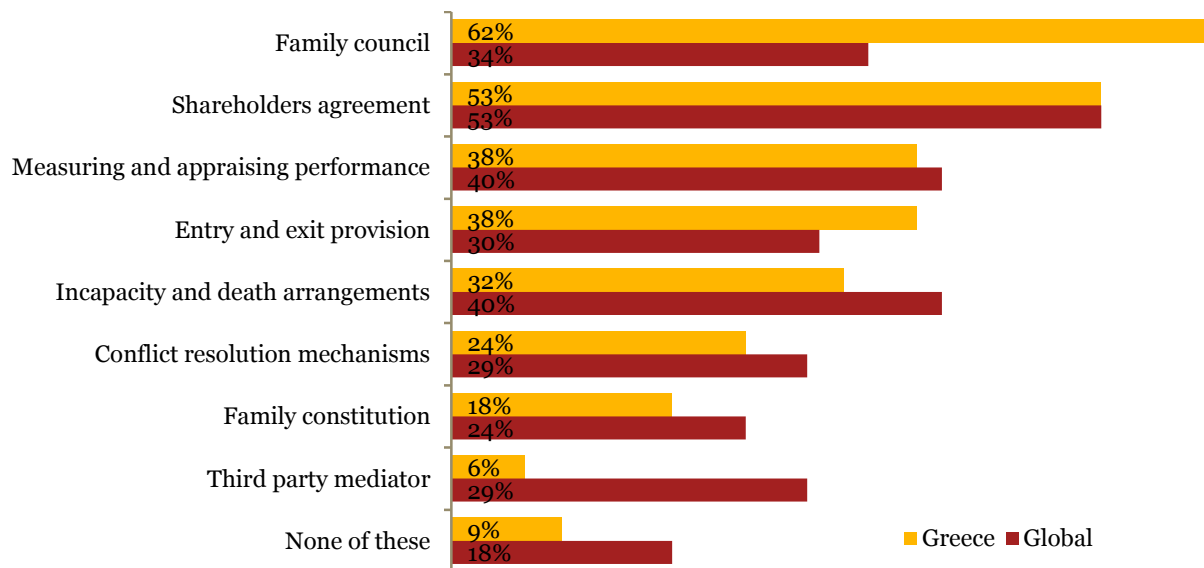
Base: all respondents (2016: Greece=34, Global=2802)



Managing the family business

...but there are conflict resolution mechanisms in place

Procedures / mechanisms in place to deal with family conflict



Base: all respondents (2016: Greece=34, Global=2802)

In an environment of increased uncertainty, but still with growth prospects

The Themes for Family Businesses

- Market uncertainty
- Funding constraints
- Technology impact
- Growth through exports, but from existing businesses
- Low degree of formal organization
- Little mention of innovation
- Low level of formality in managing affairs



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