

## RESEARCH ARTICLE

# A break with the past? The shift from inward-looking to internationally competitive and born global firms in Greece during the crisis

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This article analyzes the core features of the new, innovative, and outward-looking entrepreneurial paradigm arising in Greece during the post-2008 contraction of the economy. Through case studies of 21 selected firms, we demonstrate the ways in which the new paradigm differs from the pre-2008 prevailing business practices and the reasons why it has appeared at this particular moment in time. We argue that if it expands, this phenomenon may have the potential to change the face of Greece but that at this moment in time, it is at a critical turning point.

## 1 | INTRODUCTION

The Greek economy post-2008 experienced severe economic decline: GDP has contracted sharply; chronic deindustrialization has steepened; the population living under the poverty line has increased in size; and unemployment and the brain drain have acquired massive proportions (Mavroudeas, 2014; Organization for Economic Co-operation and Development [OECD], 2016). But, within this bleak and disheartening environment, in a part of the business world, an “unexpected miracle” is taking place, which has not yet gained the academic attention it deserves. This “miracle” consists in the emerging of a new entrepreneurial paradigm which focuses on innovation and exhibits a strong export orientation. If this paradigm keeps growing it may have the potential to upgrade the country’s production model and redirect it towards high-added value goods and services—and this at a time when the volume of world trade is static.<sup>1</sup> To our knowledge, this new phenomenon is explored for the first time in this article.

We begin with a literature review (Section 2), followed by an outline of the basic economic trends before and during the crisis (Section 3). We continue with a brief summary of the traditional/historical dominant entrepreneurial model in Greece (Section 4). The next section focuses on the new paradigm of enterprising in the country by examining 21 firms and searching for common features that explain their success (Section 5). An interpretation of why this new entrepreneurial paradigm has appeared at this particular moment in time follows (Section 6). We conclude with a review of our findings and a few thoughts on the future (Section 7).

## 2 | LITERATURE REVIEW

In Greece, the first seminal study on entrepreneurs(hip) was that of Alexander (1964), who through a combination of theory and empirics was the first to measure the socioeconomic features of Greek industrialists and provide basic information on their firms. Though this was a landmark study, it failed to create a momentum, and entrepreneurship remained in the backfields of academic research. This began to change however in the 1990s within the context of the international momentum in the new enterprise economy of the late 20th–early 21st century (Cassis & Pepelasis-Minoglou, 2005). Both historians and economists began to write on the subject. Within the first group, popular themes were local and diaspora entrepreneurial networks, industry, commercial, and banking case studies (indicatively Sifneos, 2011; Bitros & Pepelasis-Minoglou, 2007). As for economists, there was a mixture of newer interest in the Alexander “paradigm,” for example, in a publication by Hassid and Karayiannis (1999), as well as a move towards new directions related to strategy and management issues, as in Makridakis, Caloghirou, Papagiannakis, and Trivellas (1997) and Spanos, Prastacos, and Papadakis (2001). The next step forward (but with a sole emphasis on entrepreneurs/self-employment and not the characteristics of their firms) was the introduction from 2003 onwards of the Global Entrepreneurship Monitor (GEM) surveys in Greece.

More recently, academic research has focused on the following topics: How innovation and knowledge created by EU-funded research programs are translated into practice in industry (Protogerou, Caloghirou, & Siokas, 2010); the relationship between dynamic

capabilities and firm performance (Protogerou, Caloghirou, & Lioukas, 2012); and the rise of creative industries (Protogerou et al., 2015). In addition, there is an interest in how the crisis has affected: on the one hand, certain sectors—as shown by research on food manufacturing firms (Notta & Vlachvei, 2014) and, on the other, attitudes towards entrepreneurship as seen notably from a survey among Greek students (EY, AUEB, Endeavor Greece & Hellenic American Chamber of Commerce, 2015).

Important as these studies are, there is an obvious gap as the academic literature has been slow in charting the features of the new entrepreneurial paradigm, a phenomenon that has however attracted the interest of the press and Greek society.<sup>2</sup> Notably, there is also an increasing number of young Greeks being included in international lists of entrepreneurial and innovation excellence.<sup>3</sup> Moreover, in the public eye for the first time ever “innovative entrepreneurship” is becoming a buzz word and the social status of the entrepreneur has considerably improved. The time has come for an academic appraisal of what journalism and society have already intuitively recognized.

### 3 | KEY ECONOMIC STATISTICS

#### 3.1 | GDP growth, 2004–2014

Prior to 2009, the Greek economy was experiencing a fast growth in GDP compared with the EU average. But this trajectory was fragile and proved reversible as the country suffered from mounting structural gaps (Dimelis, 2010). The post-2008 decline, triggered by the global crisis, has been steep, the worst and longest depression in the West in modern times, surpassing the remarkable Great Depression of the U.S. economy in the 1930s. No historical precedent exists for Greece during peace time, as the Great Depression had a substantially milder impact on its economy and especially industry (Figure 1).

#### 3.2 | Deindustrialization, 2004–2014

Greece—a higher level midincome economy prior to 2008—was untypical in the developmental path it followed. It has had a long global supremacy in shipping and has maintained a rather large

agricultural sector. Post-WWII industrialization was brief (1964–1974) and shallow. At its peak, industry reached, 23.6% and of GDP and 30% of total employment. This was a far cry from the industrialization peaks reached in advanced economies. Deindustrialization in Greece started in the late 1970s/early 1980s, before industrialization was completed, and in the last decade before the outbreak of the crisis, there was a large increase in the production of nontradeables and a worsening trade gap (Doxiadis, 2013; Louri & Pepelash Minoglou, 2001).

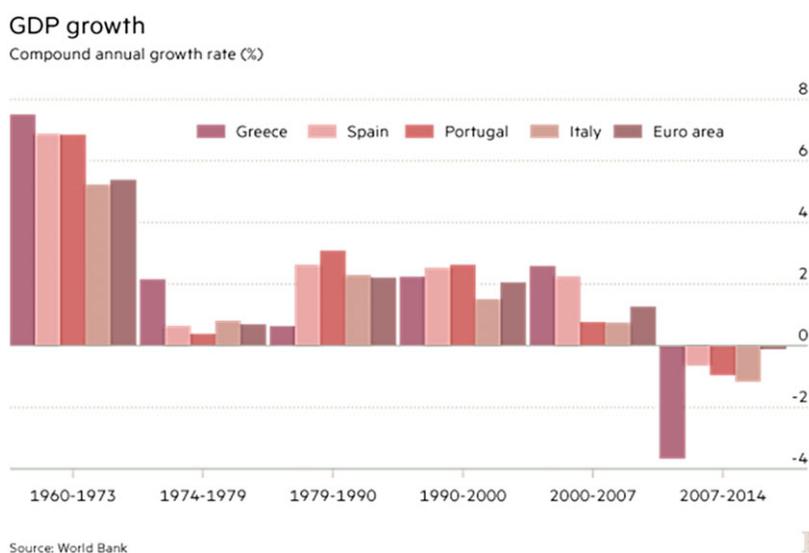
During the crisis, deindustrialization has become even more pronounced as seen from statistics, which measure the share of industry in GDP. According to the index of industrial production, the fall has been steepest in the subsector of construction and mildest in the subsector of mining (Figure 2).

Business statistics for the annual number of operating firms in industry and services between 2004 and 2014, indicate that the number of industrial firms remains more or less stable for the whole period examined, while there is a substantial increase in service firms for the period 2004–2010 (Figure 3). If we differentiate between joint stock companies plus private limited liability companies and less hierarchical companies in terms of business organization, the picture is one of decline in the share of the first group in the total population of businesses in operation.

Let us note that apparently because of the high initial legal and tax cost of setting up a company in Greece, the majority of new companies prefer today the cheapest and least hierarchical form of organization, that of a private capital company (IKE in Greek), which is more flexible than a société anonyme or limited company, as it can be set up and operated with a minimum cost.

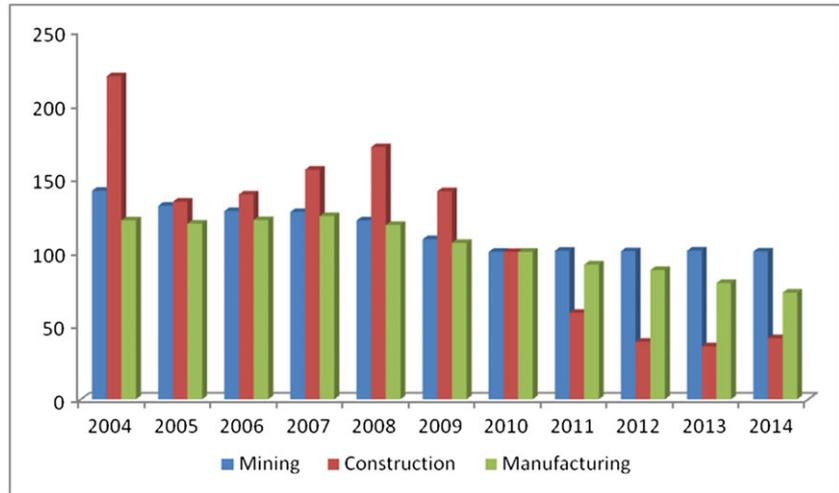
### 4 | A LONG DURATIONAL VIEW: OF THE TRADITIONAL MODEL OF DOING BUSINESS IN GREECE

To illustrate the basic characteristics of the dominant model of entrepreneurship throughout time in Greece, we draw ideas from Baumol's distinction between productive and unproductive

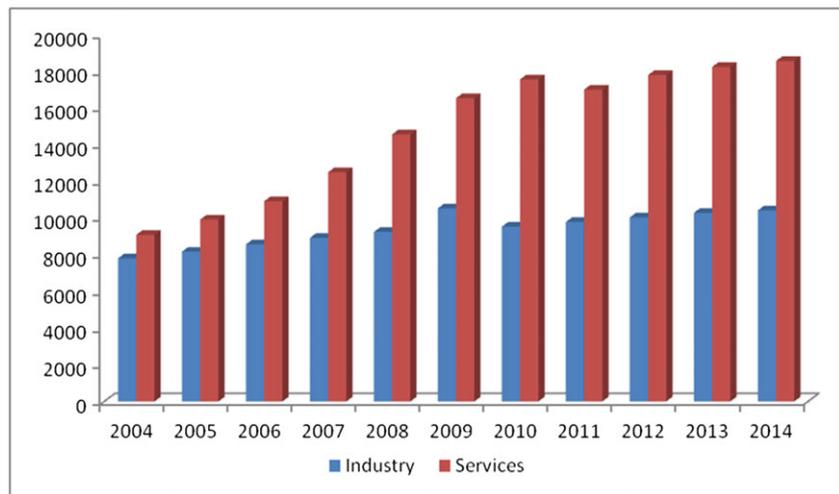


**FIGURE 1** GDP growth in Greece (1960–2014) in comparison to the European South and the EU average (Source: World Bank) [Colour figure can be viewed at [wileyonlinelibrary.com](http://wileyonlinelibrary.com)]

**FIGURE 2** Index of Greek industrial production: mining, construction, and manufacturing (2004–2014; Source: ICAP HELLAS) [Colour figure can be viewed at [wileyonlinelibrary.com](http://wileyonlinelibrary.com)]



**FIGURE 3** Total number of industrial and service firms in Greece (2004–2014; Source: ICAP HELLAS) [Colour figure can be viewed at [wileyonlinelibrary.com](http://wileyonlinelibrary.com)]



entrepreneurship (1990), Casson's definition of low-level and high-level entrepreneurship (2003), and the concept of knowledge-intensive entrepreneurship (Malerba & MacKelvey, 2016).<sup>4</sup> The traditional model of Greek entrepreneurship has displayed certain constant features, regardless of time period, some of which have been seen as an indication of Greece's differentness from Western Europe.<sup>5</sup> The continuities are a mixture of the prevalence of microbusiness (MB), family capitalism (FC), introversion (I), unproductive entrepreneurship (UE), low-level entrepreneurship (LLE), shallow entrepreneurship (SE), and rent-seeking entrepreneurship (RSE) (Pepelasis Minoglou & Ioannides, 2007; Dodd & Kosmelis, 2006; Dertilis, 2010; Gatsios & Ioannou, 2013; Foundation for Economic and Industrial Research (IOBE), 2015).

1. Large businesses usually consist of interlinked small firms instead of a single big company unit (MB).
2. Most Greek businesses are family affairs with little modern managerial basis (FC).
3. Points 1 and 2 are connected to the fact that Greece has among the highest levels of self-employment in Europe.
4. Business enterprise is introvert, namely, directed towards the home market, and there is an underlying element of xenophobia (I).
5. Preference is shown for low-tech sectors and, in the last pre-crisis decade, nontradeables (UE).
6. Production methods in both low- and high-tech sectors are based on parochial technology, and innovation is limited (UE).
7. There is limited branding (value added); this being linked to Point 4 above.
8. There is a lack of long-term vision, and entrepreneurship is strictly "profit-motive based" and usually "necessity driven." The first choice of business people is not productive innovation in industry, but quick moneymaking, preferably through commercial and financial intermediation and real estate placements (LLE). Short termism prevails along with the idea of making quick profits from a large number of small deals (SE).
9. The worlds of business and politics are not separate, and rent seeking on the part of entrepreneurs is widespread (RSE).

Having presented above the features of the traditional dominant entrepreneurial model, we should acknowledge that there have been two positive exceptions. The one is intercontinental shipping, in which Greek-owned ships have been the number one global fleet for many decades now. The other is the few industrial pioneers of the past who, on the basis of innovation and extrovert entrepreneurial strategies, created Greek-based multinationals. Three important cases are those of the Filippou Brothers, who were the first in 1975 to introduce brand-name yogurt in Greece and whose firm FAGE sells yogurt in 40 countries; Aristovoulos Petzetakis, whose innovation in plastic pipes (Heliflex) made his firm a great Greek multinational in the 1960s; and Karelia Fine Tobaccos, Greece's largest cigarette manufacturer and exporter, founded in 1888.<sup>6</sup>

Before examining the new entrepreneurial paradigm, which diverges from the dominant model described above, we should underline that the latter has not been eclipsed, although there are indications that the illicit ties between the political and economic sphere (Point 9 above) are less apparent due to post-2008 institutional reforms and the partial decline of the parasitic business status quo. Neither do we contest that many of the surviving start-ups belong to the proliferation of the so-called frappé economy, i.e. essentially shallow and imitative entrepreneurial ventures such as all-day restaurant venues and cafés; however, they are outside of the scope of this article. Our goal is to provide an “intelligible” narrative for the share of businesses that are innovative and export oriented, although the resulting impact is still not large enough either to reverse the macro picture of deindustrialization or to close the country's trade deficit.

## 5 | EXPLORING THE NEW EMERGING MODEL OF ENTERPRISING

### 5.1 | Sample and methodology

Our sample consists of 21 “successful firms,” in both manufacturing and services that had rising sales during the crisis and are export oriented. Exports varied from around 50% to 100% of sales and were usually nearer the latter figure. In fact, some of these firms were actually born global i.e. they operate internationally right from the start.

As already noted, our basic goal is to understand the reasons behind the success of the companies belonging to this new paradigm and search for a common explanation for this. We have chosen a qualitative approach to our research methodology and more specifically an exploratory case study research. Qualitative research is the most appropriate approach to study a particular topic in-depth. In addition, it is beneficial for the investigation of a phenomenon within its real-life context (Yin, 2009), and it is more suitable than quantitative research methods when there is limited work published of the topic in focus (Myers, 2008). Data for each firm were collected through face-to-face interviews with company founders and/or CEOs. Whenever possible (if data were available) interview material was complemented and checked using additional resources such as websites, Greek and international press articles, financial statements etc.

### 5.2 | On firms in the sample

Table 1 presents selected data per firm: date of birth, (founding) shareholder base (i.e., whether the firm is family or team based), sector, and type of innovation.

For each firm, we have created a code number (column 1). In column 2, the date of birth of the firm is stated from oldest to newest. Firm age in the sample ranges from 33 (1983) to 2 years old (2014). Five firms were founded pre-2000 and 12 before 2008. There is a rather substantial representation of start-ups, but some are in reality spin-offs of preexisting firms. The sample is a mélange of differing stages of evolution—preexisting and post-crisis—and hence, firm age cannot serve as an explanatory factor of success.

Column 3 registers whether a firm was created by family members or by a team of unrelated individuals with complementary capabilities and a common vision. The second group became more prominent after 2008. In addition, the companies in the first group (i.e., are family based) on the whole are rather untypical for Greece in that they have incorporated some elements from team-based firms, such as the embracing of more modern managerial practices, contesting traditional family hierarchies. Thus, there is to some degree a common element in terms of business organization among all 21 firms, and perhaps, this can partly explain their success.

Our sample includes firms in high-technology manufacturing, low-technology manufacturing, and services (gaming, ICTs, medical technology, media marketing, fashion design, etc.; column 4). All firms are active in niche markets. The last three sectors appear in our sample from 2008 onwards. Again, given the mix of sectors, sector alone cannot explain success.

Sales per company in 2014/2015 (column 5) suggests that there is a large variation. The largest company registered a turnover of over €100,000,000 and the smallest €20,000. Thus, size alone cannot explain success.

Finally, column 6, which marks innovation, indicates that both high- and low-tech companies have a definite common ground: All are innovative in at least one of the following areas (product, process, business model, design, and marketing). Indeed, innovation has been cumulative even during the crisis. Herein we believe lies the main key to the success of the new entrepreneurial paradigm that has sprang up during the crisis. For this reason, we move on to a presentation of innovation in selected cases.

### 5.3 | Zooming in on innovation in selected cases

We have selected eight companies, a mixture of Business to Consumer [B2C] and Business to Business [B2B] firms in both high- and low-tech sectors, so as to highlight the existence of different types of innovative activity throughout our sample.

1. Firm 2 (founded in 1987, location: Drama). Global leader in a niche high-tech market

This firm is a Greek multinational company with a global vision that designs industrial solutions for lightning protection and mobile

**TABLE 1** Our data set: List of firms

Firm code number	Date of founding	Family based or Team based	Sector	Sales (approx.)	Innovation
Firm 1	1983	Family	Lifts manufacturing	€1071 million	Product innovation
Firm 2	1987	1 founder	Electrical protection equipment	€80 million	Product innovation
Firm 3	1989	Family	Ecological design mattresses, furniture	€19 million	Product/process/marketing innovations
Firm 4	1990	Family	Food	€84.0 million	Process innovation
Firm 5	1995	1 founder	Food	€12.3 million (2013)	Product/process/marketing innovation
Firm 6	2000	Family	Environment	€11.9 million (2014)	Product innovation
Firm 7	2000	Team	Communication and design services	n/a	Product innovation
Firm 8	2000	Team	Electronic Design Automation Software	€7 million	Product innovation
Firm 9	2003	Family	Food	€7.7 million	Product innovation
Firm 10	2006	Family	Food	€5.1 million	Product innovation
Firm 11	2007	Team	ICTs	n/a	Product innovation
Firm 12	2007	Team	ICTs	n/a	Product innovation
Firm 13	2008	Family	Food	n/a	Business model innovation
Firm 14	2009	Team	Media and marketing	€8.0 million	Business model innovation
Firm 15	2010	Team	ICTs	\$1.4 million	Product innovation
Firm 16	2011	Team	Fashion design, reinvention of ancient Greek heritage	€3.2 million	Product/marketing innovation
Firm 17	2012	Team	Video games	\$2.5 million	Product/business model innovation
Firm 18	2012	Team	Fashion design, reinvention of ancient Greek heritage	€216,500	Product innovation
Firm 19	2012	Team	Food	€150,000	Product innovation
Firm 20	2014	Team	Medical technologies	n/a	Product innovation
Firm 21	2015	Family	Fashion, rag-carpet bags	€20,000	Product innovation

operators' cable management. The company's electrical protection department develops, manufactures, and supports advanced products for telecommunications, renewable energy, transportation, defense, and other important applications. It has received several prestigious innovation awards, holds 75 patents, and has projects in Europe, America, Asia, and Africa (B2B).

2. Firm 4 (founded in 1990, location: Larissa). Global prominence in a niche low-tech market

This firm is among the first companies in Greece to have been innovative in the low-tech sector of processing fruits and olives and to realize the potentials of embracing mass standardization and packaging for private labels and its own private brand. Its olive processing factory is the largest of the kind in Greece. This company has had a very strong investment and export orientation especially during the crisis years. Notably, 98% of its production in 2014 was exported to over 50 countries (B2B and B2C).

3. Firm 5 (founded in 1995, location: London). Global leader in a niche low-tech market

This company is committed to innovation sustainability and is a leader in new product development and environmental protection. For example, it has introduced an initiative to offset carbon neutrality in its industrial and agricultural processes, while it recently introduced the first olive snack in the world without preservatives and low salinity (after 2.5 years of research). The company is also innovative in marketing by cooperating with small and medium-sized enterprises producing premium quality products in exports. Exports account for over 80% of its sales, and the company has an extensive global distribution network. It has also received a number of awards in recognition of its success in innovation and business ethics in worldwide major competitions (B2C and mostly B2B).

4. Firm 10 (founded in 2006, location: Kilkis). Global leader in a niche low-tech market

Having identified a gap in the market early on, this firm has been established as a spin-off of a well-established family firm. It produces innovative, gluten-free snacks and holds two world patents and trademarks. Exports account for 90% of sales, mainly in the United Kingdom, United States, Australia, Japan, and New Zealand (B2B).

5. Firm 14 (founded in 2008, location: Athens). Global prominence in media and sports marketing

This company is the leading media and marketing company specializing in sailing, yachting, and water sports. It has developed its own specialized technology and manages the media production, postproduction, and distribution of sailing sports events in-house. The company is active in 45 countries covering 50 sailing events and projects per year around the world. It offers cost-effective branding and positioning within the international sailing community and unique sailing sponsorship opportunities in fast-growing markets. In 2011, the firm won the Rising Star Award from the Enterprise European Network for its innovative business model (B2B).

6. Firm 17 (founded in 2012, location: Athens). Global leader in mobile social casino games

This company was acquired by the Novomatic Group, one of the largest integrated conglomerates of the international gaming industry, in 2015. The development team remains in Athens. As the industry is changing rapidly, the company is constantly improving their products by launching and optimizing new features. It also aims at launching its games on new platforms and in new markets such as Asia (mainly B2C but also B2B).

7. Firm 18 (founded in 2012, location: Athens). Global leader in a niche market for Hellenic heritage fashion

The company draws elements from the Greek handicraft tradition and antiquity in combination with modern minimalist design and has contributed to a revival of the Soufli silk production (the revival of a silk factory in Soufli village, once a hub of silk making) and an enhancement of embroidery teams in monasteries, cotton weavers in Crete, embroiderers in Evros, leather craftsmen in Attica and the Peloponnese, and so forth (B2C).

8. Firm 20 (founded in 2014, location: Athens). Global leader in a niche high-tech market

This is a medical technology company that has developed a unique approach to quality assurance significantly enhancing the safety and accuracy of radiotherapy for cancer and other medical conditions. It combines proven expertise in medical physics with highly accurate 3-D printing technology to create patient-specific pre-treatment phantoms. These anatomically accurate effigies enable medical professionals to plan more precise treatment interventions and help radiotherapy technology innovators to fine-tune their

products. The result is more effective therapy, reduced risk and better patient outcomes. The company is a global leader in that it offers the world's first personalized pre-treatment simulation system for quality assurance in radiation oncology (B2B).

Having concluded the presentation of the selected companies it is obvious that innovation and export orientation are closely connected ensuring global prominence mostly in specialized niche markets. In the following section we turn to the cohort of their highly qualified forward-looking visionary entrepreneurs.

## 5.4 | The protagonist entrepreneurs

Our sample of firms contains a body of over 40 entrepreneurs. Although each one of these protagonists has followed a unique path, there are a few important communalities. First, almost all are Greek in origin, and the few foreigners are present basically in the team-based firms. Moreover, they are mostly male who have founded their firms in their 30s and 40s or even younger. Females appear sporadically in family-based firms, in which the main figure is a male relative. The two exceptions of a female presence in a team-based firm are Firms 16 and 19. In fact, the second case has the only exclusively female founding team in the sample.

Second, entrepreneurs are well educated (some have studied and/or worked abroad), internationalized in outlook, and surround themselves with highly qualified managerial personnel. Most importantly, we find entrepreneurs who have degrees in engineering or have had other forms of technical education, even in low-technology sectors such as fashion and food.

Third, the vast body of entrepreneurs has an important background in terms of financial and/or human capital. Some of these are scions of business families who had prior work experience in their progenitor's family business (as, e.g., Firms 10 and 16). Others had significant prior experience in finance or marketing or in the same line of business (Firms 19, 21, and 18) or are academics (Firm 20) and recent PhDs (Firm 8).

The firms in our sample are the creations of amazing personalities: Greeks who dared to risk and who were flexible enough simply to adapt to the new situation, but also saw the crisis as an opportunity to transcend the Greek microcosm and traditional business practices and to conquer the global market through innovation, perhaps unwittingly resembling somewhat the example of Greek diaspora merchants two centuries ago.

The new innovative and extrovert paradigm, embodying characteristics of high-level and Baumolian productive entrepreneurship, does not share the characteristics of the mainstream traditional way of enterprising described in Section 4, except one: The presence of family in business although in a different context, either as a backup force to some team-based firms or when directly involved in a firm, has a more managerial orientation. In a nutshell, over a wide spectrum of activities (ranging from medicine to gaming) the protagonist entrepreneurs have created global cutting-edge products by combining in a masterful way diverse elements such as high technological expertise and managerial skills, in many cases coupled with knowledge and practices embodied in Greek cultural heritage.

## 6 | THE NEW ENTREPRENEURIAL PARADIGM: WHY NOW?

It is not easy to answer the question of “Why now and not before?” Nevertheless, we would attempt the following interpretation: It may be partly attributed to changing environmental conditions due to the crisis—and the “creative” reactions incited by this unfortunate development—and also to the maturation of other long-term trends unrelated (at least directly) to the crisis.

### 6.1 | The crisis-induced altered conditions for enterprising

Post-2008, the following three “crowding out” conditions specifically no longer hold true:

1. The rules of the game pre-2008 allowed for quick profiteering through rent seeking, that is, motivation for unproductive entrepreneurship. (A large part of big business involved state contracts for public works or procurements. Notably, the construction industry was bloated in size.)
2. The public sector was the employer of first resort as it could guarantee a stable income in a country where bitter memories (of hunger from WWII and the Civil War and the pre-1974 economic exclusion from the public sector of individuals belonging politically to the left) were still alive in the common conscience and crowded out risk-taking and creative entrepreneurship.
3. The pre-crisis Economic and Monetary Union years, 2001–2008, were times of affluence characterized by easy access to cheap credit for the first time in Modern Greek history, which peculiarly led to bloated imports and crowding out innovation in local production.<sup>7</sup>

Post-2008, there has been a huge shock as the three aforementioned conditions no longer hold. What are the changes?

Regarding Point 1 above, with the state sector shrinking in size, it could no longer act as a patron for local clientelistic business, and rent-seeking profits shrank. Regarding Point 2, we would like to argue that, as a consequence of the bankruptcy of the state (and business failures), excruciatingly high levels of unemployment have acted as a shock that has prompted two proactive reactions: on the one hand, massive emigration (brain drain) and, on the other hand, for the “brain remain” population, a shift towards productive entrepreneurship by ex-professionals or young university graduates with a pathos never before seen in post-WWII Greek history. Regarding Point 3, the loss of incomes, GDP decrease, and the rise in taxation led to a marked drop of local demand (disposable incomes shrank).

In brief, changes in the status quo regarding Points 1 and 3 led to mass losses and closure of businesses that lacked competitiveness and were not antagonistic in the global market. In addition, there has been a lowering of wages, something working to the advantage of those companies thriving in the crisis.

Given the great suffering of large sections of the population during the last years, it may seem terrible to say this: But the fact is that

crisis has in a way been a blessing in disguise through unleashing creativity. It has also prompted internationalization in a way not mentioned up to this point in the article: Many of the new companies established in our ecosystem are building business networks abroad through collaborations with the new émigrés, this being one more unwitting positive consequence of the crisis.

### 6.2 | The historical concurrence/conjuncture: The cumulative positive impact of long-term trends

These trends were, first, the building up of the internet revolution in Greece (Dimelis, 2010), thus enhancing internationalization and the initiation of e-commerce (in a country of small-scale shopkeepers). Second, there was a huge rise in university graduates following the post-junta (1974) era, as Greek parents, even those of the poorer economic classes, placed a premium on turning their offspring into top professionals, leading to a plethora of science graduates. Notably, the OECD has recently “placed Greece among the 10 ‘smartest’ countries in the world in fields such as mathematics, physics, technology and engineering.”<sup>8</sup> This new pool of human capital is more inclined to turn to entrepreneurship in order to express their creativity than past generations, and this fact has led to an upgrading of how Greek society perceives entrepreneurship today.

Thus, when the crisis broke out, Greek society was at a point whereby the shift from inward-looking enterprise had the preconditions to turn to extrovert enterprising. Of course, what is amazing in this story is the existence of a huge bottleneck: the absence of traditional bank funding and the disappearance of liquidity in the market. (An issue that should be dealt with elsewhere is how come this obstacle did not impede the birth of this new ecosystem.)

Finally, we would like to point out that although the question “Why now?” has not been adequately dealt with by scholars in Greece, there has been of late recognition that things are changing and that there is an emerging entrepreneurial culture. A few relevant testimonials follow.

Against a background of persistently high unemployment and economic stagnation, Greek students have a positive perception of entrepreneurship, according to a large-scale recent survey among students enrolled in more than 30 institutions of higher education across the country (EY, AUEB, Endeavor Greece, Hellenic-American Chamber of Commerce, 2015). Most importantly, they appear to be challenging the established introvert development model, as the profile of their potential business ventures is focused on the use of technology, innovation, and extroversion with an emphasis on the country’s competitive advantages.

In addition, a recent survey focusing on young engineer-entrepreneurs who have graduated from the National Technical University of Athens notes that “It appears that there is a pocket of high-potential entrepreneurship in terms of superior innovative performance and export orientation associated with larger firms and founders with extensive research experience.”<sup>9</sup> In addition, regarding the unprecedented flourishing of start-ups in Greece in the creative industries, “... export orientation appears to be crucial not only in rendering firms resilient under the conditions of current economic crisis but also to ensure superior performance” (Protogerou et al., 2015).

## 7 | GENERAL CONCLUSION

This article outlines the traditional model of doing business in Greece and provides empirical evidence on the new emerging entrepreneurial paradigm, which is of particular importance as it appeared during the crisis and in an environment of slower growth rates in the global economy compared to the pre-2008 period. The traditional dominant model can be primarily characterized as inward looking, largely rent-seeking, of limited innovative capacity, and usually necessity driven. In contrast to the prevailing business practices, the new paradigm appears to be opportunity driven, outward looking with significant export orientation in niche markets including even born global ventures from day one, knowledge-intensive by encompassing specialized technology, market and design expertise and largely innovative. The appearance of the new entrepreneurial paradigm may be attributed to a combination of two factors: on the one hand, some long-term trends and short-term crisis-induced changes which have altered the conditions of supply and demand in the business world. On the other hand, we should not fail to acknowledge the birth of a new 'business elite' which is distanced from introversion and dependence on the state mechanism of the traditional business class. This new 'team' is primarily based on new knowledge and innovation and is oriented (sometimes right from the start) to niche markets in the global economy.

Having said this and though we would like to end this article on an optimistic note, we should stress our concern that the emerging trend we described may be endangered and may not acquire the necessary momentum to transform from an enclave phenomenon to a mainstream force. Following the imposition of capital controls in July 2015, the export orientation has become increasingly difficult and the fiscal burden on enterprising has become exorbitant, forcing some of the tigers of the new ecosystem to migrate their headquarters abroad. As we write these last words of the article, headlines are appearing in the press concerning the massive closures of firms following the rationalization of the banking system<sup>10</sup>: a rationalization that may perhaps be long warranted, but in the short term might also affect the new paradigm in direct and indirect ways, one of which is the inability to secure highly educated personnel due to the increasing brain drain. Where are we heading? Will this paradigm survive? Will it simply survive or even just vanish? ~~There is no simple answer to the question of what the future holds from 2017 onwards. The limitations of this research concern primarily the limited sample of companies at hand. For these findings to be generalized they should first be tested on a larger number of firms using complementary research tools such as survey work. Future research could address the dynamics of the new entrepreneurial paradigm by examining its evolution through time. Finally, data on the failure of firms to adapt to the new paradigm could be useful in providing recommendations.~~

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### ENDNOTES

- <sup>1</sup> <http://www.statista.com/statistics/264682/worldwide-export-volume-in-the-trade-since-1950/>.
- <sup>2</sup> Among the many journalistic references on this topic are "Post-Eurozone Crisis: Greek Entrepreneurship Starts to Flourish" (*Forbes*, Alison Coleman, July 25, 2014); "Youth Entrepreneurship in Greece: A Sign of Hope?" ([www.ekathimerini.com](http://www.ekathimerini.com), Lyda Modiano-Leon, Comment, April 24, 2014); "Greek Entrepreneurs Who Beat the Economic Crisis" (<http://greece.greekreporter.com/2015/01/07/>, Philip Chrysopoulos, Jan 7, 2015); "Unfazed: Greek Entrepreneurs Expand Their Business Horizons" (*Forbes*, Alison Coleman, July 10, 2015).
- <sup>3</sup> One recent example is that of Nikos Arapkoules and Panagiotis Papadiamantis, who were listed in the top 30 businessmen in the world under 30 (<http://www.forbes.com/pictures/mfg45jmh/nick-arapkoules-27-pan/>).
- <sup>4</sup> Knowledge-intensive entrepreneurship can be considered as a form of high-potential entrepreneurship and indicates ventures whose initiation or expansion is based on the dynamic application of new knowledge in both high- and low-tech sectors.
- <sup>5</sup> <http://www.theatlantic.com/international/archive/2015/07/is-greece-a-part-of-europe/397796/>.
- <sup>6</sup> <http://www.kathimerini.gr/854670/article/oikonomia/epixeirhseis/apoxwrei-apo-thn-agera-toy-galaktos-h-fage-8ewrwntas-thn-asymforh>; <http://www.naftemporiki.gr/finance/story/1085369/i-fage-anatrepei-tis-isorropies-sta-galaktokomika>; [www.karelia.gr/](http://www.karelia.gr/); <http://www.tanea.gr/news/economy/article/5195000/karelia-a-e-aykshseis-kai-epidomata-2-85-ekat-stoys-ergazomenoys/>; <http://www.kathimerini.gr/283172/article/oikonomia/ellhnikh-oikonomia/aristovoylos-petzetakis-o-amorgianos-prwtoporos-mhxanikos-efeyreths-kai-viomxanos>.
- <sup>7</sup> <http://www.kathimerini.gr/866887/opinion/epikairothta/politikh/alla3e-o-sysxetismos-dynamewn-sthn-koinwnia>.
- <sup>8</sup> <http://neoskosmos.com/news/en/Greece-among-the-10-smartest-countries-in-the-world-OECD>.
- <sup>9</sup> Innovation and Entrepreneurship Unit of the National Technical University of Athens, 2015, Study on Entrepreneurship of young NTUA graduates.
- <sup>10</sup> <http://www.kathimerini.gr/865982/article/oikonomia/epixeirhseis/loyketo-mpainei-ka8hmerina-se-100-epixeirhseis-sthn-ellada>.

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