

Deloitte.



2023 Innovation Survey

Elevating the pivotal role of innovation
within the Greek business community



Foreword

Addressing the current and emerging economic, social and environmental challenges requires novel ideas, innovative approaches and greater levels of multilateral co-operation. **Innovation and digitalization play an increasingly important role in virtually all sectors of the economy** and the daily lives of citizens around the world. Innovation is pivotal to advancements in living standards and can affect individuals, institutions, entire economic sectors, and countries in multiple ways.

Furthermore, **innovation is at the heart of entrepreneurship**. All organizations that truly stand out today as solid business leaders within their industries, clearly have one thing in common: they all embrace innovation.

Enterprises that innovate, create value and also gain a competitive advantage over those that do not seize the opportunities provided to them, especially through technology. All aspiring business owners understand what innovation is, why it's important, and how they can take advantage of it in their own business, creating more favorable conditions for the development of leading-edge products and services, as well as the promotion of an overall corporate innovation culture within their organization.

It is within this context that Deloitte conducted **a survey that aims to capture the perception of the Greek businesses regarding the level of innovation** in our country, as well as how innovation could act as a lever of competitiveness.

This report provides a comprehensive analysis of the key findings and noteworthy aspects of the survey conducted. It presents an in-depth review of the data collected, highlighting the most significant conclusions and insights drawn from these results.

Vassilis Kafatos

Partner | Growth Leader
Deloitte Greece



Table of Contents

Executive summary	04
1. The role of the State and the available funding tools	06
2. Business perception of innovation	08
3. Investments in innovation	10
4. Drivers and factors that enhance innovation	13
5. Main obstacles & barriers pursuing innovation	15
6. The strategic relationship between innovation & sustainability	16
About the survey	17
Contacts Authors	18



Executive summary

Innovation is the driving force for companies, enabling them to adapt, grow and thrive in a dynamic business environment. By fostering a culture of innovation and investing in research, development and creative thinking, enterprises can unlock new opportunities, gain a competitive advantage and create sustainable value for the stakeholders.

Nationwide survey on Greek businesses

Deloitte Greece conducted an online survey to more than 55 Greek companies (with sufficient stratification of size and sector of activity), with the aim to capture the perception of the Greek business community regarding the level of innovation in our country, as well as how innovation could act as a lever of competitiveness. Deloitte Greece conducted a similar [innovation survey in 2018](#) and the key findings of the two surveys have been comparatively analyzed and outlined in the following sections.

Observations & Conclusions



It should be emphasized that increased investments in specific leading-edge technologies, coupled with partnerships forged with research and academic institutions, will provide businesses the prospect of accessing specialized talent and facilitating knowledge transfer. This collaborative endeavor can supply enterprises with invaluable perspectives, access to state-of-the-art research, and the opportunity for joint innovation endeavors.



To bolster innovation, it is imperative for Greek businesses to translate their acknowledgment of the equal significance of external influences and internal capabilities into concrete actions. This necessitates senior management actively promoting and fostering a culture of innovation within the organization. Additionally, companies should prioritize the recruitment of talented individuals equipped with technological expertise, while seeking guidance and insights from third-party experts. By undertaking these measures, businesses can effectively fortify their innovation efforts and maximize their potential for growth.

Innovation is a pivotal driver of progress and success for organizations across various sectors of the economy. It empowers businesses to adapt to evolving market dynamics, seize new opportunities, and gain a competitive advantage.

By fostering a culture of innovation and embracing technological advancements, organizations can enhance their products, processes, and services, leading to increased efficiency, productivity and customer satisfaction.

It is crucial for organizations to prioritize and invest in innovation, continuously seek creative solutions, and collaborate with stakeholders to foster an environment that nurtures and supports innovation, in order to thrive in the new normal which is much more volatile and dynamic.

Innovation is not just a choice for businesses—it is an imperative. In today's dynamic and competitive landscape, organizations that embrace innovation as a core value and integrate it into their DNA are the ones that thrive.

In the following slide we present a summary of the major findings in each topic of our survey.

Executive summary

The role of the State and the available funding tools



71% Investments in education

55% Tax incentives for R&D

.... were highlighted as **the primary actions that the State should take** in order to enhance innovation.

Business perception of innovation – Innovator profile



100%
Embrace innovation

30%
“Pioneer”

35%
“Experimenter”

35%
“Follower”

.... the Greek business community could be equally characterized **across different innovation profiles** (“Pioneer” – “Experimenter” – “Follower”).

Additionally, it is highlighted that the Greek companies **mainly pursue core (40%) & incremental (40%) innovation**, rather than disruptive (9%).

Main obstacles & barriers pursuing innovation

69%

Operational Challenges

47%

Strategic Challenges

35%

Cultural Challenges

.... have been indicated as **the most significant issues that companies are facing.**

Investments in innovation



Emergence of new technologies



Changes in customer expectations & preferences



Improvement of cost efficiency

.... were indicated as the main **factors that trigger innovation.**

90% of the Greek companies claimed that **will increase their budget for innovation investments** in the next 3 years.



Artificial Intelligence



Big Data Analytics

... have been identified as the **key technologies** where innovation investments will be channeled.

Drivers and factors that enhance innovation

EXTERNAL FACTORS



Workshops with experts from own industry (49%)



Constant analysis of customers' preferences and experience (47%)

INTERNAL FACTORS



Sensing and scanning new technologies and trends (62%)



Innovation strategy design and aspirations (55%)

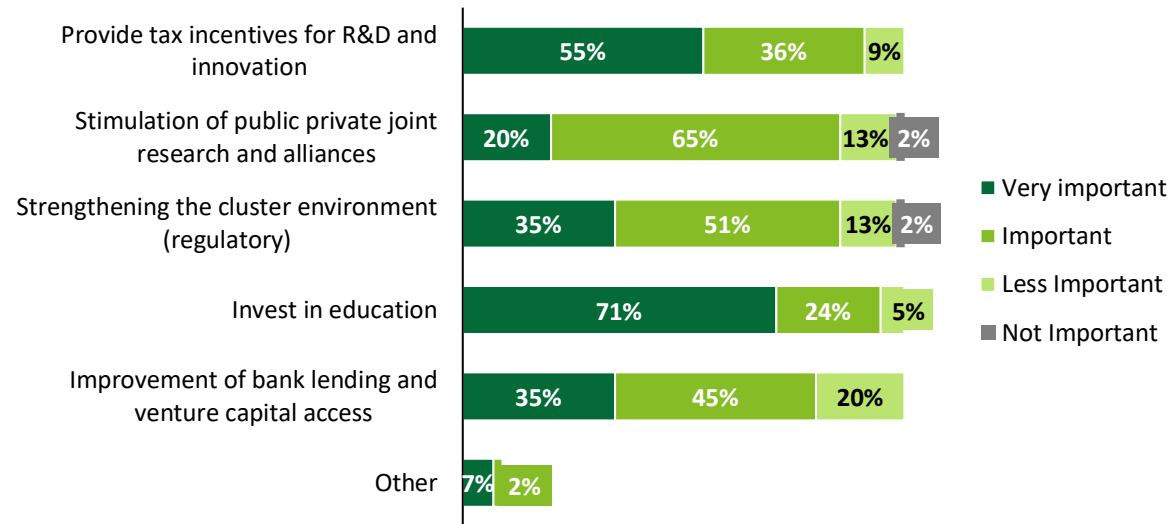
67% of Greek companies highlighted that **external environment factors** are as important as **internal environment factors.**

1. The role of the State and the available funding tools

The vital role traditionally played by governments in fostering private-sector innovation is now expanding, and savvy companies are taking full advantage of a wide range of governmental support through valuable funding programs, incentives and policies.

Figure 1

How the State will enhance innovation



Question: What should the State do to enhance innovation in Greece?

Greek companies have highlighted the **Investments in education (Very important – 71%)** and **Tax incentives for R&D (Very important – 55%)** as the **primary actions** that the State should take to enhance innovation.

In terms of investments in education, another important finding is that the Greek business community expressed a significant intention to engage in partnerships and collaborate actively with academic & research institutions (see Figure 2).

Figure 2

Collaboration with academic & research institutions

77%

of respondents claim that they are **interested in developing collaborative projects with the country's universities & research institutions**, aiming at innovation

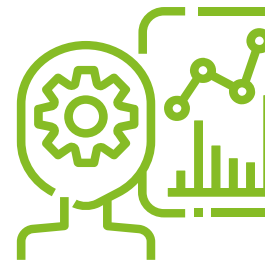
33%
Very High

44%
High

22%
Low

2%
Very Low

Question: To what extent are you interested in developing collaborative projects with the country's universities and research institutions, aiming at innovation?

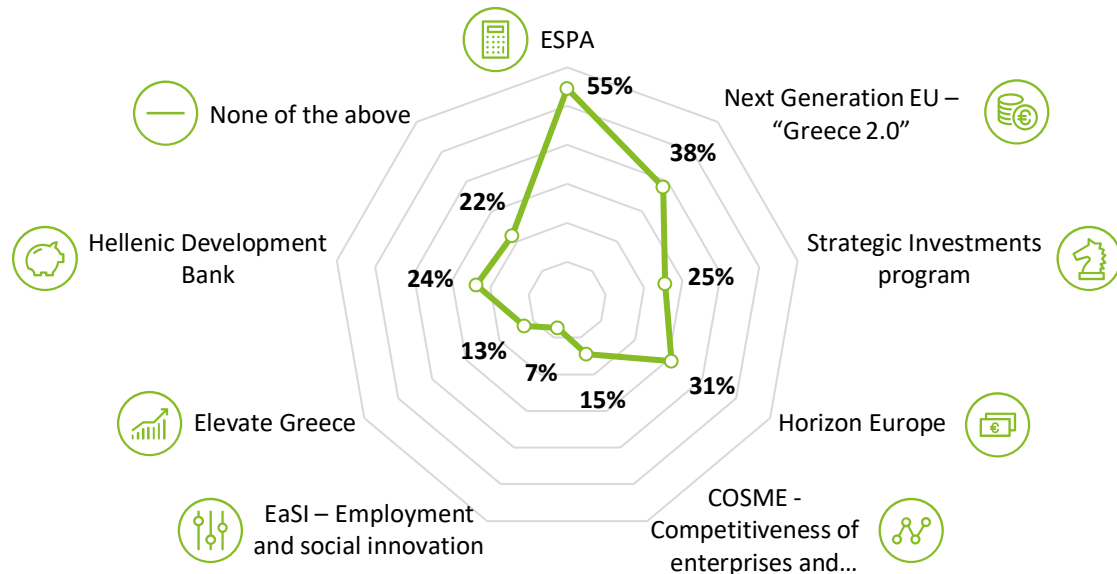


Governments can facilitate partnerships and collaborations between enterprises and research institutions. By connecting enterprises with academic & research organizations, knowledge exchange, technology transfer, and collaborative research projects can be achieved. These partnerships can provide enterprises with valuable insights, access to cutting-edge research and technologies, as well as opportunities for joint innovation initiatives.

1. The role of the State and the available funding tools

Funding programs represent a highly significant asset for the State in its effort to effectively contribute towards the enhancement of innovation. The survey indicates that the Greek businesses prioritize three key financing tools (**ESPA – 55%**, **NextGen EU – 38%**, **Horizon Europe – 31%**) from all available programs (see Figure 3).

Figure 3
Funding programs

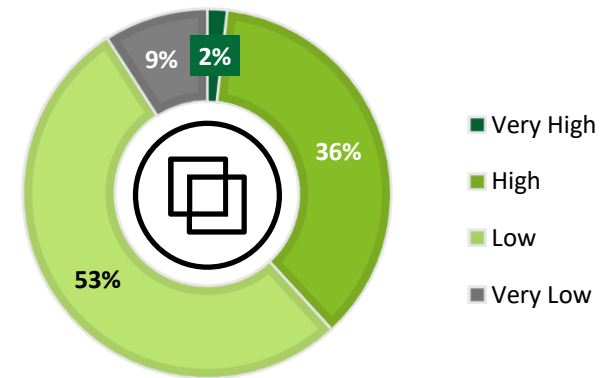


Question: What funding programs do you intend to use in order to enhance innovation within your company?

Within this context, the Greek business community does not seem to exhibit a uniform stance regarding their level of satisfaction of the available State funding programs related to innovation (see Figure 4).

Figure 4

Level of satisfaction concerning the available funding programs



Question: To what extent are you satisfied with the available state funding programs that are related to innovation?

A notable percentage of Greek businesses are **less satisfied (Low – 53%)** with the currently available **funding programs** designed for fostering innovation. Nevertheless, a substantial portion of enterprises also demonstrated a **high level of contentment (High – 36%)** for the existing financial tools.

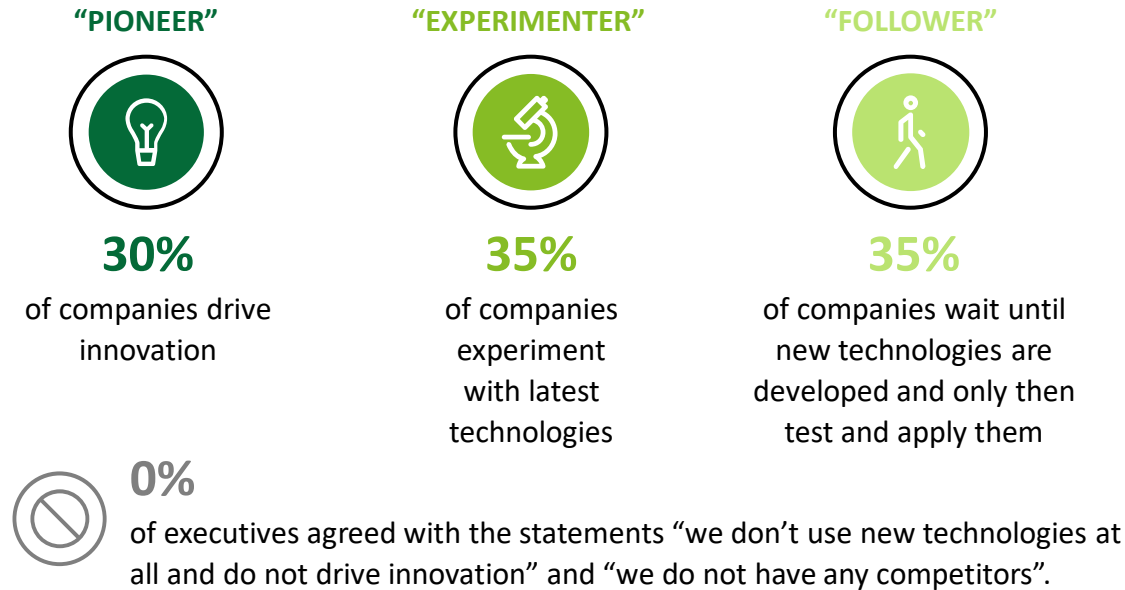
The stated emphasis only on specific financing tools coupled with the relatively low “acceptance” rates on the remaining ones (as depicted in Figure 3), highlight the need for the State to consider redesigning funding programs. This redesign will broaden the programs’ applicability and increase their utilization as true financial aid by the majority of enterprises, as over 60% highlight “Low” satisfaction rates concerning the available funding programs.

2. Business perception of innovation

Exploring various types and methods of innovation, companies strive to cultivate a culture of creativity and forward-thinking mentality, empowering them to continuously transform ideas into impactful realities.

Figure 5

Innovator profile

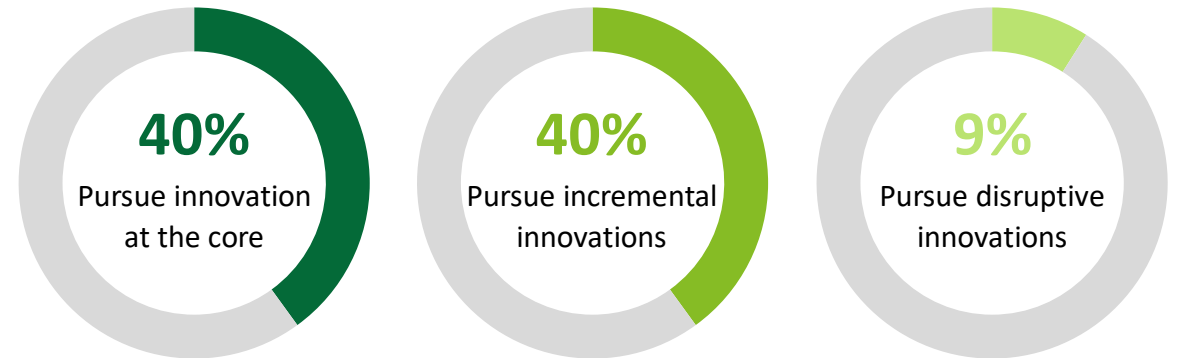


Question: How would you describe your company as an innovator compared to your competitors?

A significant finding of the research pertains to **the shift of the innovation profile** of enterprises over the years. During the 2018 innovation survey, the majority of firms regarded their profile as an "Experimenter" (60%). However, the latest findings from the 2023 innovation survey indicate a nearly **equal distribution across different innovation profiles ("Pioneer" – "Experimenter" – "Follower")**.

Figure 6

Three kinds of innovation



11%

of the respondents reported that none of the aforementioned kinds of innovation are applicable for their company.

Question: What kind of innovation does your company pursue?

Pursuing innovation at the core, means making innovation a fundamental aspect of the organization's identity, while incremental innovation involves making gradual improvements to existing products or processes. On the other hand, disruptive innovation involves introducing groundbreaking and transformative solutions that can reshape the business ecosystem.

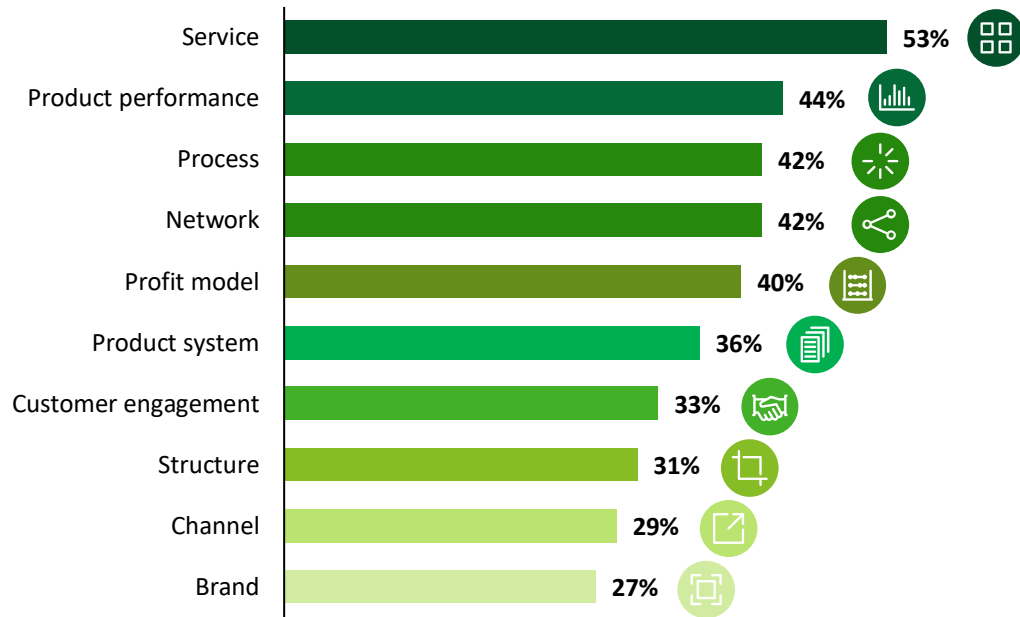
In an effort to collectively analyze the above findings, it seems that out of the **30% of enterprises that consider themselves as "Pioneers"**, only **9% pursue disruptive innovation**, while the rest pursue either incremental, or innovation at the core, falling under the "Experimenter" or "Follower" innovator profiles.

2. Business perception of innovation

Apart from the adoption of an innovator profile by companies and the specific kind of innovation they pursue, Doblin's Ten Types of Innovation is a framework developed by Doblin, to help organizations identify new opportunities and develop viable innovations.

Figure 7

Ten types of innovation (based on [Doblin's – 10 types of innovation](#))

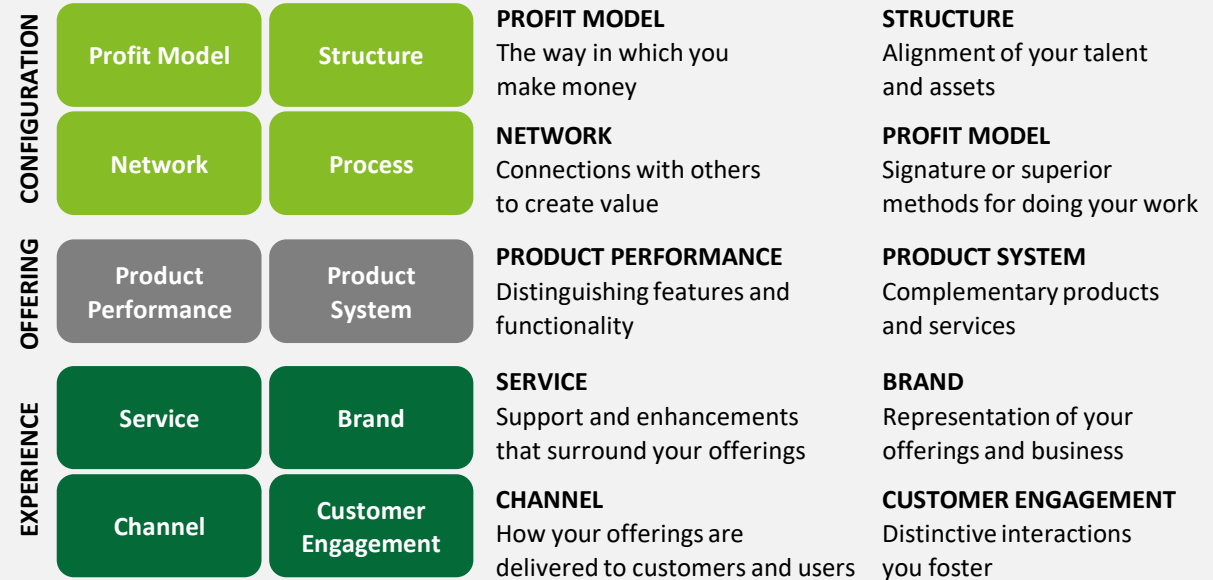


Question: Which types of innovation does your company pursue?

Overall, in comparison to the 2018 innovation survey, the Greek companies continue to prioritize similar types of innovation (e.g. Service, Product performance). However, there are two notable differences concerning the **increased emphasis** placed on **Process** (from 34% in 2018 to 42% in 2023) and the **decrease in the emphasis** placed on **Customer engagement** (from 40% in 2018 to 33% in 2023).

THE TEN TYPES OF INNOVATION

AN OVERVIEW



Simple innovations use one or two types of innovation and every company needs to pursue them. Failure to consistently, relentlessly improve the known is one of the surest routes to failure. Unfortunately, too many firms do only simple innovation. In today's contested markets, simple innovations alone are never enough for long-term success. They can build a lead on competitors, but they don't create the firms, brands, or platforms that thrill us.

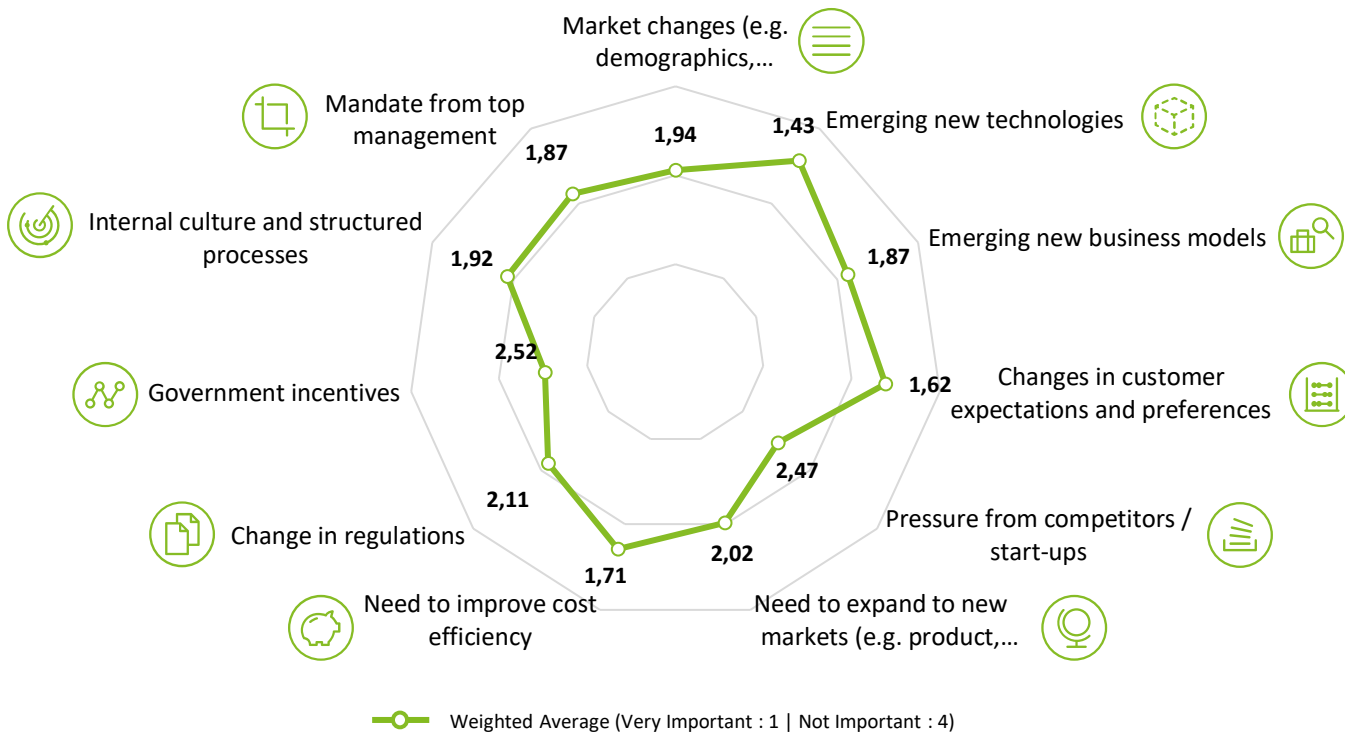
When a market grows up and gets complicated, it demands more **sophisticated innovation**, which uses many types of innovation combined elegantly and orchestrated with care. Under the covers, inside your firm, these require working across internal boundaries and silos — challenges that bring additional complexity. You can cut through this with multi-disciplinary teams to bring in the necessary talent and knowledge, and with systems in place to tell everyone how they can tackle tough challenges with curiosity, confidence, and courage.

Naturally, sophisticated innovations are more difficult to pull off, not least because they have longer development horizons than simple innovations. But consider the flip side: once you launch them, they are likely to both delight customers and confound competitors. Often you will be able to succeed with them for years before challengers can catch up. Almost all of the enterprises that we identify as leading innovators routinely use multiple types of innovation — and handily outperform the average firms that innovate more naively.

3. Investments in innovation

Embracing alternative perspectives in the innovation process, leads to a broader range of ideas, insights and solutions. The emergence of new technologies and business models, changes in customer preferences, enhancements in cost efficiency, and market characteristics have been highlighted by the Greek business community as the most crucial internal and external factors that provoke innovation (see Figure 8). The significance of the aforementioned factors was weighted in a similar manner by respondents during the 2018 innovation survey.

Figure 8
Factors that provoke innovation



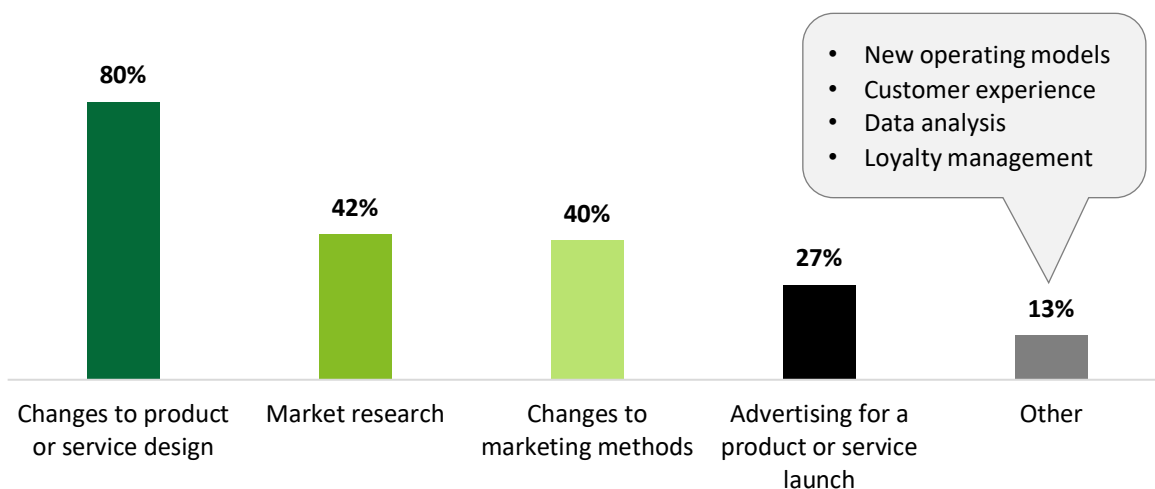
Question: What triggers innovation activity in your company today?



3. Investments in innovation

The primary motivation for innovation, stems from essential factors such as market needs, technological advancements, competition, customer demands, market expansion and many more. It is vital for enterprises, to acknowledge that the areas of innovation may differ significantly depending on the industry, prevailing market conditions as well as the specific contextual factors within which businesses operate (see Figure 9).

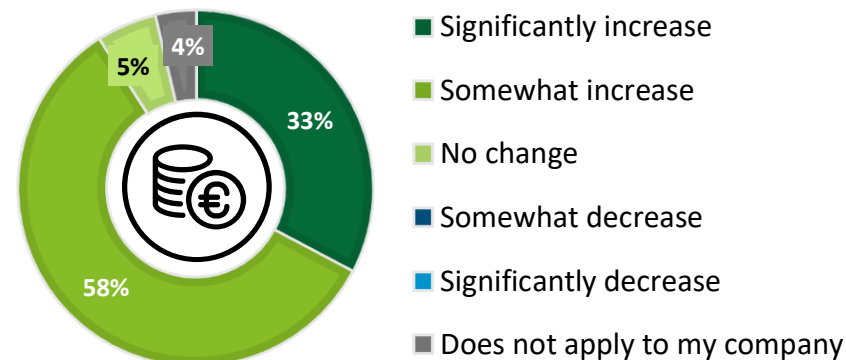
Figure 9
Areas of investment for innovation



Question: In which of the following areas did you invest for the purposes of current or future innovation?

The vast majority of Greek executives highlighted **Changes to product or service design (80%)** as the main area of investment, followed by **Market research (42%)** and **Changes to marketing methods (40%)** regarding current, or future innovation initiatives.

Figure 10
Estimation of future expenditure in innovation



Question: How do you expect your company's budget for innovation to change over the next 3 years?

9 out of 10 respondents claim that their organization will **foster innovation by increasing their relevant investments** in the next 3 years. It is also worth-mentioning that **no enterprise has stated that it plans to decrease its budget for innovation** in the forthcoming years.

Investing in innovation is not just a matter of staying ahead of the competition; it is crucial for a company's survival and growth in an ever-changing business environment. This notion is supported to some degree by the investments made in the previous years, but it is even more evident through their willingness to allocate increased investments in the forthcoming years.

3. Investments in innovation

Investments in innovative technologies require a strategic and forward-thinking approach. By aligning investment decisions with organizational goals, understanding market trends, assessing implementation requirements and monitoring performance, organizations can effectively leverage innovative technologies to drive growth, enhance competitiveness, and capitalize on emerging opportunities.

Artificial intelligence (33%) and **Big Data analytics (30%)** have been identified as the **key technologies where most of the Greek companies plan to invest** regarding innovation. Moreover, **Cloud computing (20%)** also remains a **prominent area** of focus despite significant investments having been made over the past two years.

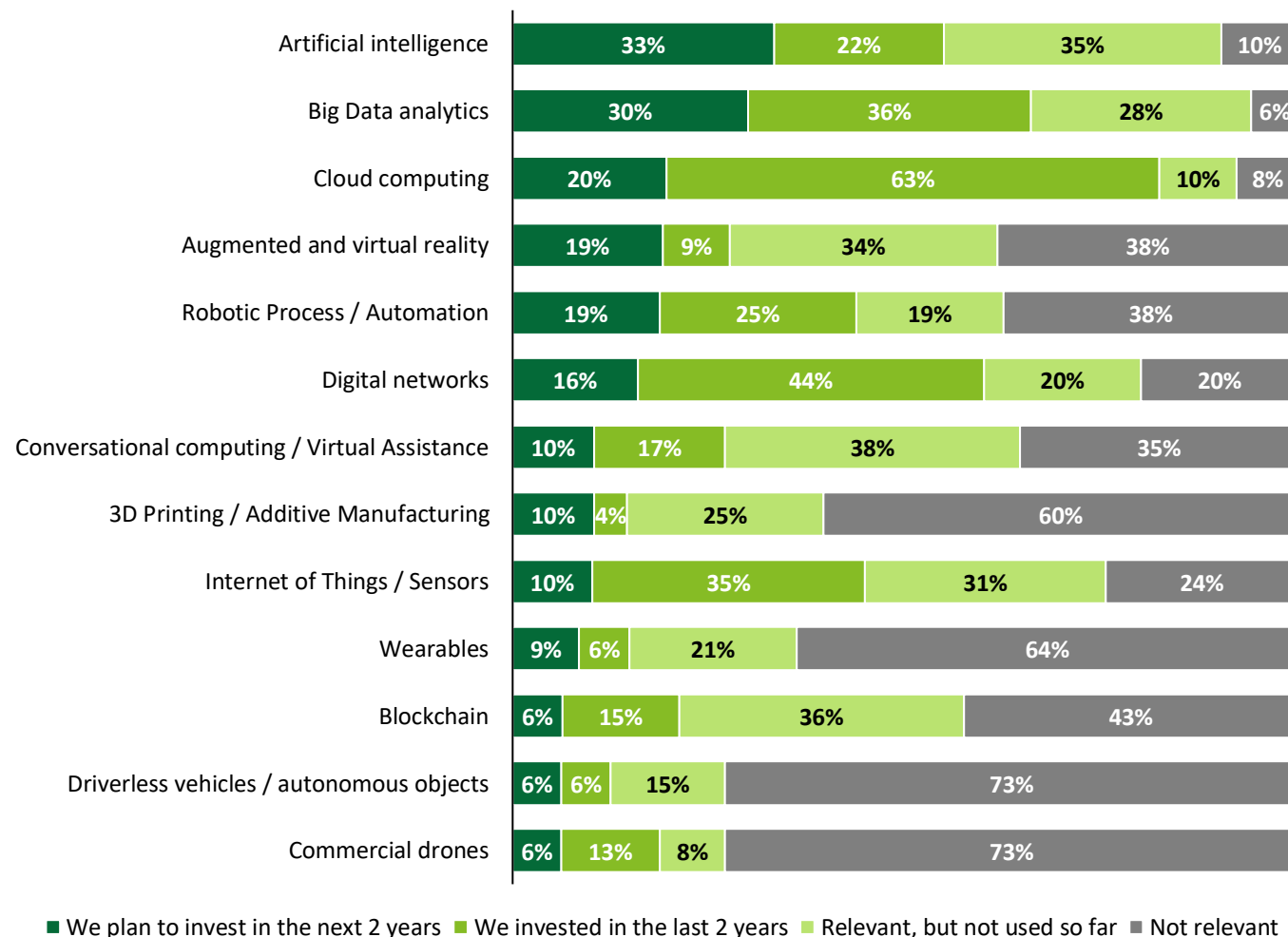
Additionally, there has been a significant change in Greek businesses' focus concerning the "Internet of Things" and "Digital networks", with a noticeable decline in their intention to further invest in these technologies, compared to the noteworthy investments having been made in the previous two years.

Another fact worth noting is that commercial drones, driverless / autonomous vehicles, blockchain and wearables, are the technologies with the least investment interest for the Greek business community.

In summary, a series of initiatives that have already been highlighted within this study, such as State support through the available financing tools and collaboration with academic and research institutions, could provide a significant boost to investments in innovative technologies.

Figure 11

Actual and expected investment in digital technologies / processes

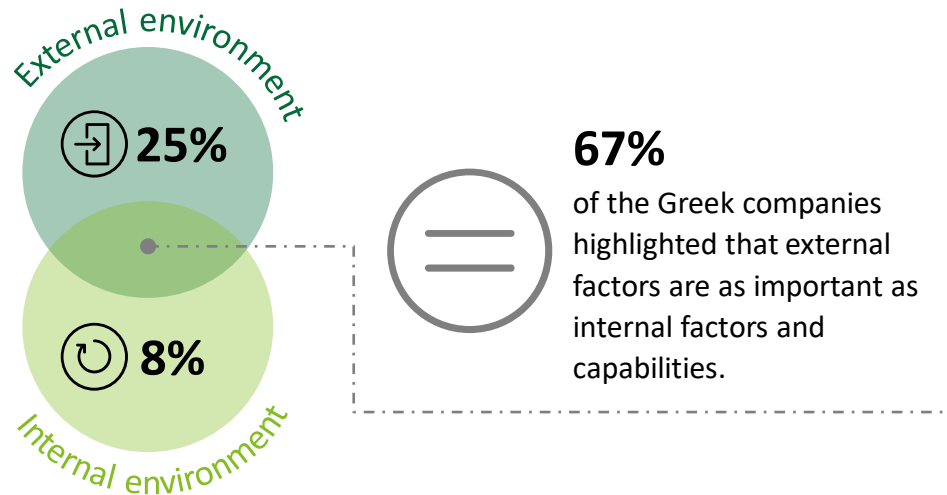


Question: Which of the following technologies and processes are relevant for innovation in your company?

4. Drivers and factors that enhance innovation

The drivers and factors that influence innovation stem from both the internal and external business environment, playing an equally significant role in empowering and promoting innovation.

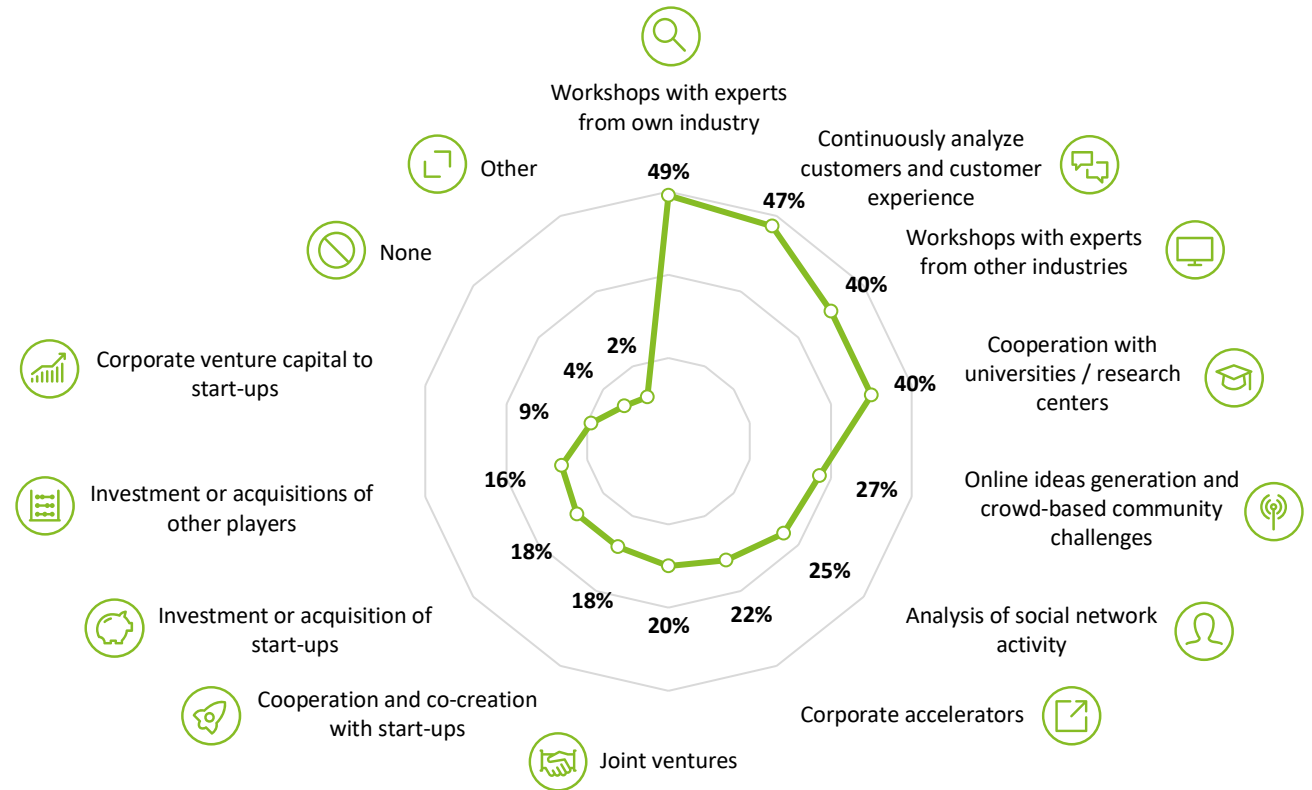
Figure 12
Internal & External factors regarding innovation



Question: How important are influences from outside your company regarding innovation?

The survey highlights that both **external and internal environment factors play a crucial role in empowering innovation within enterprises according to 67% of the Greek business executives**, while in the 2018 survey only 53% of respondents agreed with the above statement. Furthermore, during the 2023 survey the perception of importance regarding the internal environment factors was lower than the respective percentage of the survey conducted five years ago (8% in 2023 vs 20% in 2018)

Figure 13
External innovation factors



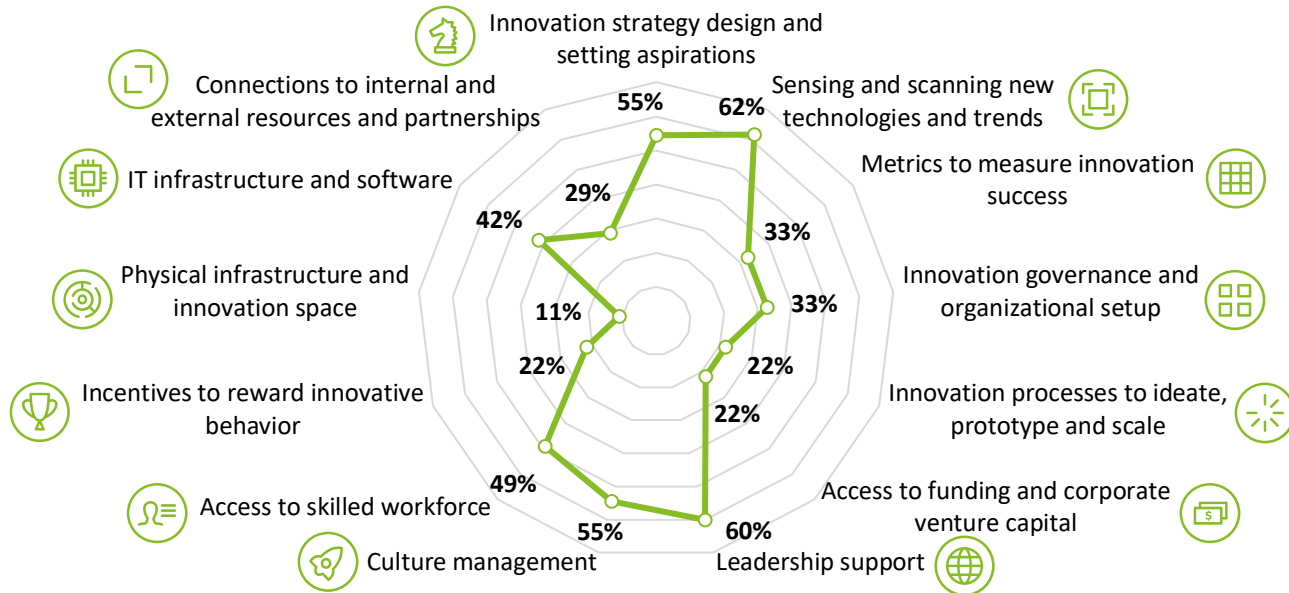
Question: How does your company tap into innovation sources from outside your company?

The majority of Greek business executives highlighted **Workshops with experts from own industry (49%)** and **other industries (40%)**, **Constant analysis of customers' preferences and experience (47%)** and **Cooperation with universities / research centers (40%)** as the most significant external innovation factors. In addition, albeit at a lesser extent, Greek companies seem willing to tap into the start-up ecosystem in order to drive innovation across their businesses.

4. Drivers and factors that enhance innovation

Internal environment innovation plays an equally pivotal role in the success and viability of companies. It is vital for driving continuous improvement, fostering creativity, and maintaining a competitive edge in the marketplace.

Figure 14
Internal innovation factors



Question: Which internal processes and assets are important for successful innovation in your company?

The majority of respondents in 2023 agreed with the participants in the 2018 survey, that **Sensing and scanning new technologies and trends (62%)**, **Leadership support (60%)**, **Innovation strategy design and aspirations (55%)** and **Culture management (55%)** are the most important processes and assets in order to pursue innovation.

Figure 15
Actions to be taken from companies in order to enhance innovation



Question: What actions does your company take to support, to enhance and improve innovation processes?

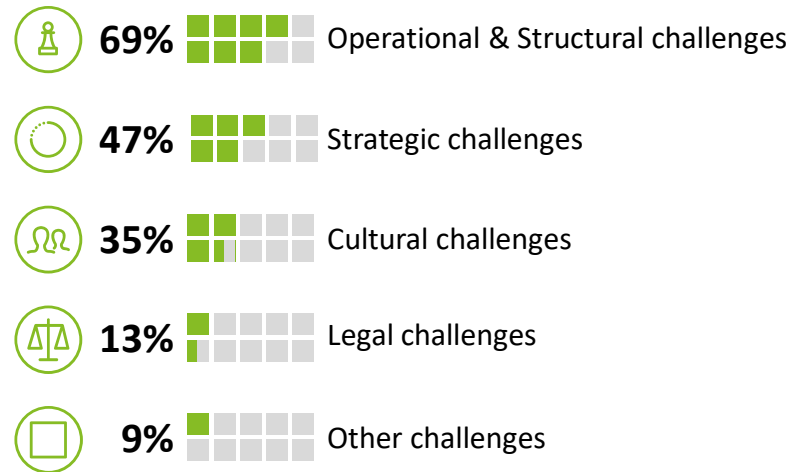
The Greek business community claim that **Senior management encouragement (60%)** along with **Hiring talent with technology capabilities (47%)** and **Advices from third party experts (47%)** are the most important actions to implement, in order to improve the overall innovation capability within their business.

However, there are substantial obstacles and barriers that companies face in their endeavor to enhance innovation.

5. Main obstacles & barriers pursuing innovation

Pursuing innovation often entails overcoming a range of obstacles and barriers that can impede progress and hinder success. Tackling these challenges requires a collective effort from individuals, organizations, policymakers and society at large to create an environment that fosters and supports innovation.

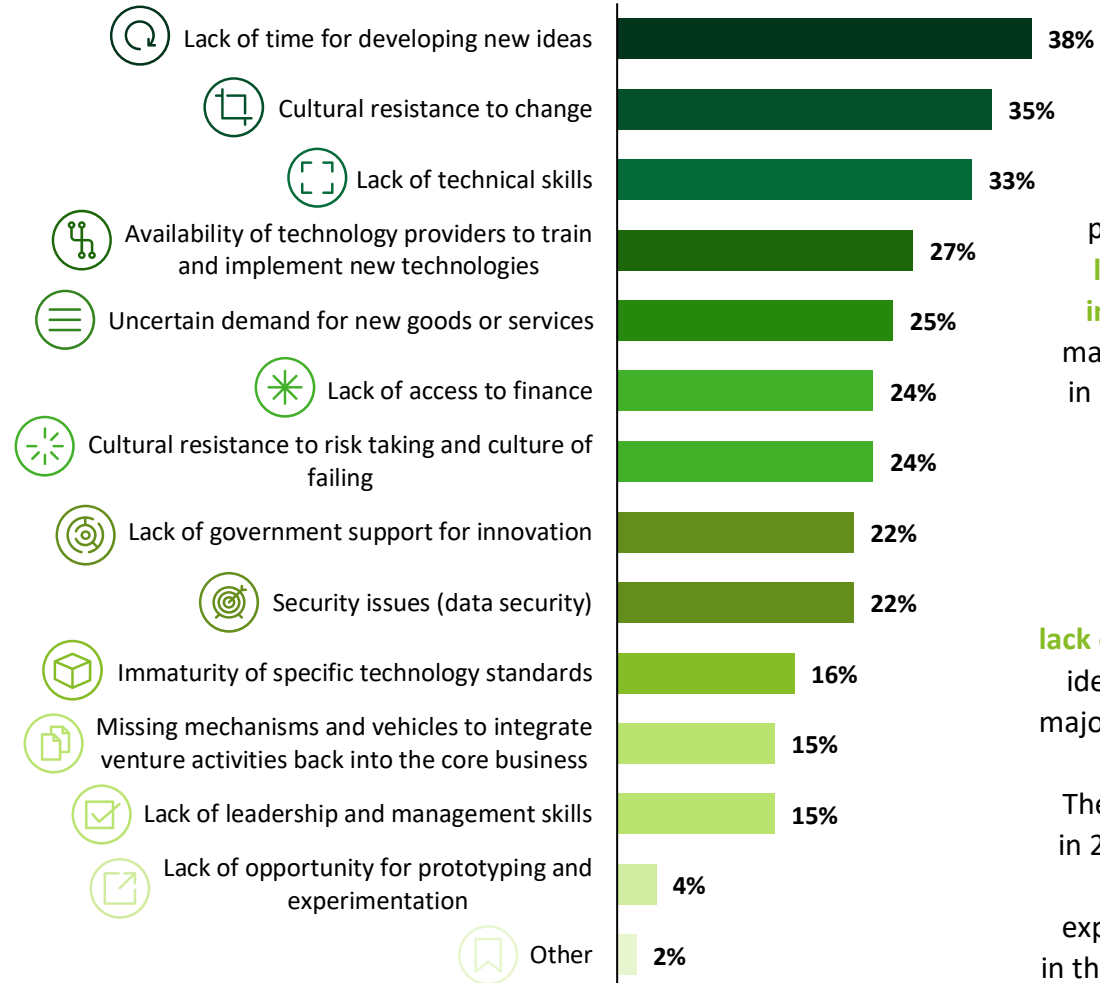
Figure 16
Challenges regarding innovation



Question: What kind of challenges is your company facing regarding innovation?

As depicted in Figure 16, major challenges to innovation derive mainly from the internal environment of organizations, given that **Operational & Structural (69%)**, **Strategic (47%)** and **Cultural challenges (35%)** were highlighted as the most significant issues that companies need to tackle.

Figure 17
Main obstacles pursuing innovation



Question: What are the main obstacles to foster innovation within your company today?

The majority of participants agree that **the lack of time dedicated for innovation activities** is the major obstacle to overcome, in order to foster innovation within their organization.

To a lesser extent but still important, **cultural resistance to change** and **lack of technical skills** are also identified by respondents as major inhibitors to innovation.

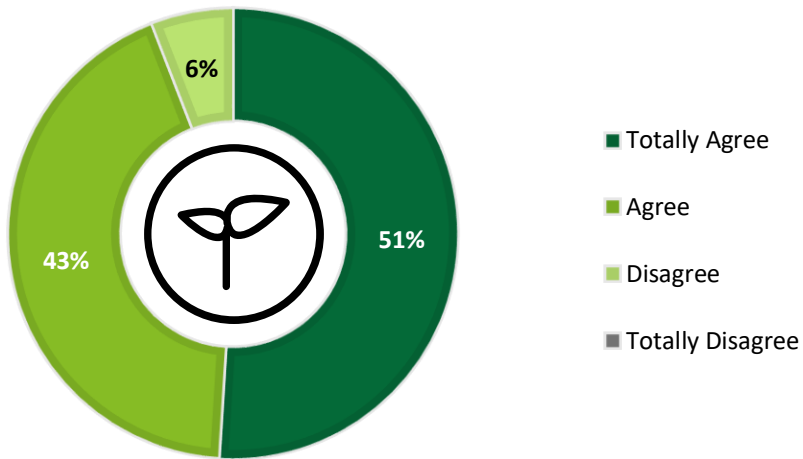
The perspectives highlighted in 2023 are fully aligned with the overall sentiment expressed by executives also in the 2018 innovation survey.

6. The strategic relationship between innovation & sustainability

Innovation plays a crucial role in achieving sustainability by enabling the development and implementation of new solutions, practices, and technologies that minimize negative environmental impact, conserve resources, and promote social and economic growth.

It is within this context, that businesses should prioritize the adoption of a strategy that integrates both innovation and sustainability, recognizing their relationship and significance in driving long-term success (see Figures 18 and 19).

Figure 18
Adopting a strategy that integrates Innovation & Sustainability



Question: Do you believe that adopting a more resilient strategy that integrates Innovation and Sustainability at the same time can support your business goals and investment plan?

Figure 19

The competitive advantage of integrating Innovation & Sustainability

96%

of respondents **recognize the integration of Innovation with Sustainability**, as a very progressive and necessary concept for the development of a **robust competitive advantage**

49%
Very High

47%
High

4%
Low

0%
Very Low

Question: To what extent do you recognize the combination of Innovation with Sustainability, as a very progressive and necessary concept for the development of a strong competitive advantage?

A highly encouraging finding is that the Greek business community demonstrates a strong awareness of the necessity to embrace a strategy that effectively integrates innovation and sustainability. By integrating innovative practices that prioritize environmental and social considerations, businesses can enhance their competitiveness and at the same time, also contribute to a more sustainable and prosperous future.

Apart from offering a solid competitive advantage, the integration of innovation with sustainability also leads to numerous benefits for enterprises such as strong eminence, cost savings, risk mitigation, enhanced employee engagement, and long-term resilience. It enables businesses to align with societal and environmental needs, contributing to a more sustainable future while also driving business growth and profitability.

About the survey

Deloitte's nationwide survey aims to capture the perception of the Greek business community regarding the level of innovation in our country, as well as how innovation could act as a lever of competitiveness.

The survey was conducted online by Deloitte Greece, with the participation of 55 Greek companies (with sufficient stratification of size and sector of activity), a sample that is representative of the Greek business community.

The current innovation report conducted in 2023 (similar [innovation survey conducted in 2018](#)) does not constitute a one-off analysis, but rather an integral part of an overall effort from Deloitte to periodically map the evolution of the Innovation ecosystem in Greece.

The survey mainly focused on the following topics:



The role of the State and the available funding tools



Business perception of innovation



Investments in innovation



Drivers and factors that enhance innovation



Main obstacles & barriers pursuing innovation



The strategic relationship between innovation & sustainability



Authors – Contacts



Vassilis Kafatos
Partner | Growth Leader
vkafatos@deloitte.gr



Alexis Hadjipavlou
Partner | Innovation Leader
ahadjipavlou@deloitte.gr



Alexis Kontis
Director | Head of Growth
akontis@deloitte.gr



Panos Bokas
Assistant Manager | Growth
pbokas@deloitte.gr

Athens

Frangoklisias 3A,
151 25 Maroussi
Athens, Greece
Tel: +30 210 6781100

Deloitte Digital

Aegialias 54,
151 25 Maroussi
Athens, Greece
Tel: +30 210 6781100

www.deloitte.gr
info@deloitte.gr

Thessaloniki

VEPE Technopolis Building Z2,
555 35 Pylaia
Thessaloniki, Greece
Tel: +30 2310 406500

Phoenix Center
27 Georgikis Scholis Avenue,
570 01
Thessaloniki, Greece
Tel: +30 2310 406500

Heraklion

16B Dimokratias Avenue,
713 06
Heraklion, Greece
Tel: +30 2816 005700

Patras

Tel: +30 210 6781100

Ioannina

Tel: +30 210 6781100



This document has been prepared by Deloitte Business Solutions Societe Anonyme of Business Consultants, Deloitte Certified Public Accountants Societe Anonyme, Deloitte Business Process Solutions Single Member Societe Anonyme for the Provision of Accounting Services and Deloitte Alexander Competence Center Single Member Societe Anonyme of Business Consultants.

Deloitte Business Solutions Societe Anonyme of Business Consultants, a Greek company, registered in Greece with registered number 000665201000 and its registered office at Marousi Attika, 3a Fragkokklisias & Granikou str., 151 25, Deloitte Certified Public Accountants Societe Anonyme, a Greek company, registered in Greece with registered number 0001223601000 and its registered office at Marousi-Attica, 3a Fragkokklisias & Granikou str., 151 25, Deloitte Business Process Solutions Single Member Societe Anonyme for the Provision of Accounting Services, a Greek company, registered in Greece with registered number 0009622801000 and its registered office at Marousi Attica, 3a

Fragkokklisias & Granikou str., 151 25 and Deloitte Alexander Competence Center Single Member Societe Anonyme of Business Consultants, a Greek company, registered in Greece with registered number 144724504000 and its registered office at Thessaloniki, Municipality of Pylaia - Chortiatis of Thessaloniki, Vepe Technopolis Thessaloniki (5th and 3rd street), are one of the Deloitte Central Mediterranean S.r.l. ("DCM") Countries. DCM, a company limited by guarantee registered in Italy with registered number 09599600963 and its registered office at Via Tortona no. 25, 20144, Milan, Italy is one of the Deloitte NSE LLP Geographies. Deloitte NSE LLP is a UK limited liability partnership and member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL").

DTTL and each of its member firms are legally separate and independent entities. DTTL, Deloitte NSE LLP and Deloitte Central Mediterranean S.r.l. do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

This document and its contents are confidential and prepared solely for your use, and may not be reproduced, redistributed or passed on to any other person in whole or in part, unless otherwise expressly agreed with you. No other party is entitled to rely on this document for any purpose whatsoever and we accept no liability to any other party, who is provided with or obtains access or relies to this document.