



# Achieving long-term value through ongoing business transformations

EY Transformation Survey Greece 2023

## Executive Summary

To continue evolving and staying relevant, an organization must actively monitor, comprehend, and adapt to the evolving dynamics of its environment. Only through this approach the organization can create added value for its stakeholders, society, and all other stakeholders. This realization underpins the imperative for businesses to embark on a transformation journey.

In today's ever-evolving business landscape, the need for transformation may arise from rapid market shifts, increasing competition, emerging technologies, shifting customer expectations, and various other factors that influence an organization's performance.

These transformational needs may lead to changes in strategic direction, operational processes, organizational structures, technology utilization, or even corporate culture.



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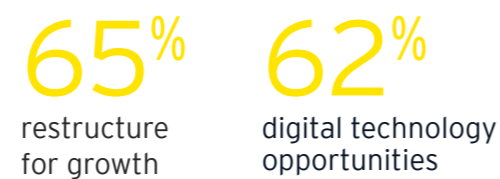
The EY Transformation Survey Greece 2023 findings, in combination with EY teams' experience in transformation projects, lead to the following conclusions:

Companies in Greece are on a continuous transformation journey, starting from the economic crisis in 2010, and have continued uninterrupted ever since, in response to multiple, and often conflicting, disruptive forces that significantly alter the international environment (pandemic, energy crisis, geopolitical changes, economic sanctions, technological advancements, artificial intelligence, and generative AI tools, etc.).

Eighty-six percent of the companies that took part in the survey have completed at least one transformation project over the last five years, while more than half of the sampled businesses (54%) reported they have completed more than two projects.

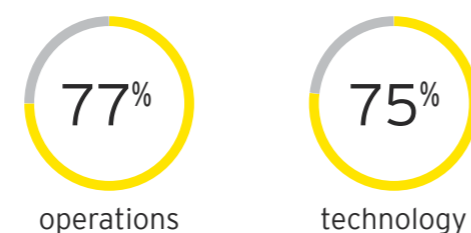
Two out of three participants (65%) identified the need to restructure for growth as the key business driver to initiate a transformation program, followed by capitalizing on digital technology opportunities (62%).

### Key business drivers to initiate a transformation program:



Companies today focus their transformative efforts on operational optimization and integration of technological solutions. Seventy-seven percent of the sampled companies identified operations as the functional focus of their transformation programs, while 75% highlighted technology.

### Functional focus of the transformation programs:



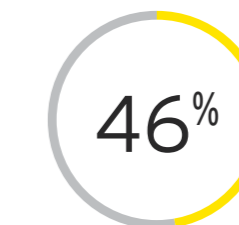
Only **5%** mentioned the energy crisis as a key business driver that led to transformation

Only 5% of participants mentioned the energy crisis as a key business driver that led to transformation. Sustainability and effective management of external threats have not yet emerged as high-priority transformation motives. Nevertheless, the majority of businesses acknowledge the speed of upcoming changes, such as advancements in artificial intelligence, and are preparing to manage them.

Especially in smaller companies (with revenue up to €200 million), programs are not implemented with a transformation logic, namely a continuous process of evolutionary change. Therefore, there are no internal structures, processes, change management frameworks, or cultural norms to effectively implement these types of programs.

There is an emphasis on actions that lead to limited improvements, even if they are ongoing, rather than on "step-change" programs that would be truly transformative. This could be attributed either to the lack of experience in transformation programs (46% of the sampled companies have implemented one or no programs at all), or to the constraints on the available financial resources that such programs require. Implementing programs that truly lead to a complete reassessment of the current operational model and

foster contemporary ways of work, could offer a more visionary and exciting experience for people across the organization.



**46%** of the companies have implemented one transformation program or none

Formulating transformation programs into "cycles" of 2-3 years, emerges as a best practice. This allows a refresh of the programs, based on evolving needs, while also providing sufficient time for the implementation and realization of benefits of individual "sub-programs".

Most companies stated that the success of a transformation program is not solely measured based on the achievement or non-achievement of project management indicators. A successful transformation is one that manages to create long-term value, positively influencing both financial key performance indicators (KPIs) and efficiency KPIs, as well as sustainability and employee-related KPIs. Nevertheless, it appears that, in many cases, the transformation goal is not clearly defined from the beginning with specific KPIs, but, instead, the indicators' progress is assessed at a later stage.

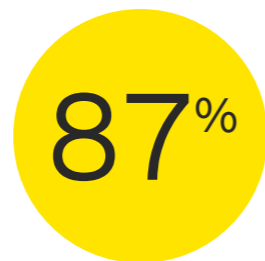
### Over the past five years:

**86%** of the companies have completed at least one transformation project

**54%** have completed more than two transformation projects



Organizations need to actively monitor the progress of their transformation programs, both through operational KPIs (preceding the achievement of financial goals) and through KPIs related to employee satisfaction and commitment. Greek businesses appear to continue their transformation efforts, as their overall budget for transformation is expected to remain at current levels or increase compared to the past five years, mostly focusing on issues such as the integration of artificial intelligence technologies, customer experience, and cost management.

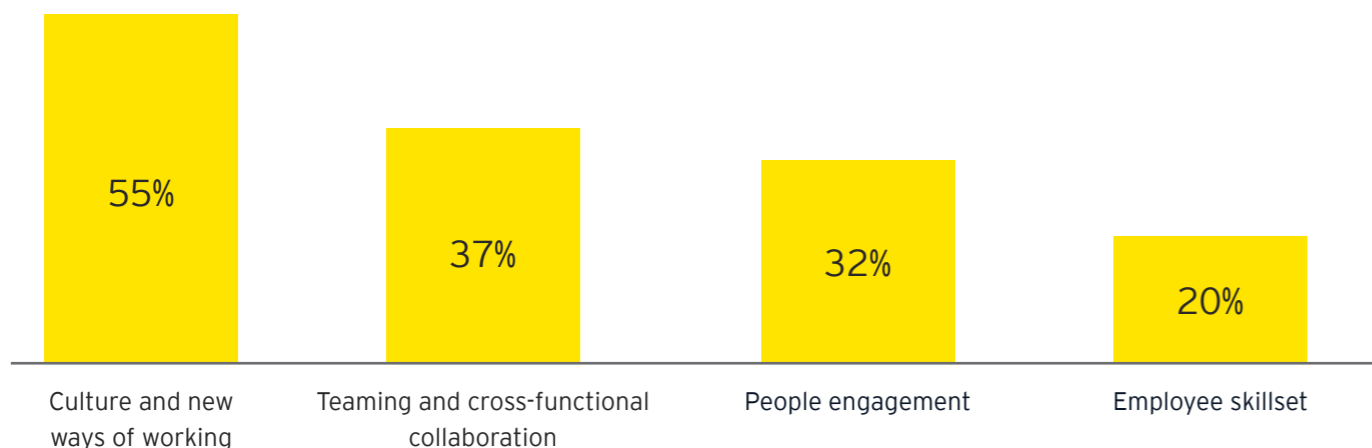


mentioned that this year's budget for transformation projects will be the same or will increase, compared to the past five years

As revealed by the EY global transformation survey<sup>1</sup>, the major challenges encountered during transformation projects are mainly related to human resources. In this survey, workforce-related challenges were among the most frequently mentioned: culture and new ways of working (55%), teaming and cross-functional collaboration (37%), people engagement (32%) and employee skillset (20%).

**Challenges related to workforce were mentioned most frequently:**

*In which areas were the three most important challenges identified during the transformation program(s)?*



It is evident that formulating a clear and compelling vision capable of inspiring and mobilizing the organization, is crucial for the success of a transformation project within a corporate framework. Fifty-three percent of respondents strongly agree that their organization's transformation vision addressed a matter that they personally feel passionate about, while 52% state that the vision energized them and inspired them to go the extra mile. Fifty-two percent of respondents also indicated that leadership was united and in agreement on how to achieve the vision and strategy (52%).

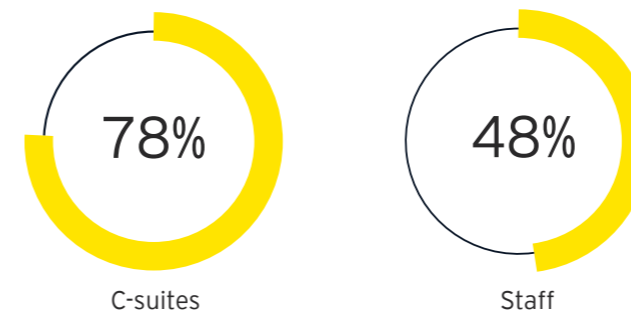
**53%** strongly agree that the transformation vision addressed a matter that they personally feel passionate about

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**52%** indicated that leadership was united and in agreement on how to achieve the vision and strategy

The transformation journey of companies seems to be on top of the agenda of mainly high-level executives, resulting in employees not being activated on time and feeling that they do not reap the benefits in their daily work. Seventy-eight percent of respondents believe that transformation programs positively impacted C-suites, after their completion, while only 48% say they positively impacted the staff.

**Who did transformation programs impact positively after their completion:**



When employee involvement is limited during the implementation of the program, their experience is mainly negative. Therefore, seeking the active participation of the staff in transformation projects, and giving them an active role in co-shaping them, would ensure their engagement. Implementing a transformation project without the timely involvement and mobilization of employees through appropriate incentives, is likely to lead to the rejection, or partial adoption of change.

Finally, a communication strategy is crucial for the success of the transformation programs, not only at the early stages of the programs but throughout their duration. The later allows for clear communication of the vision and employees are engaged and well-informed for the upcoming changes.

1. The Future of transformation is human, Saïd Business School, University of Oxford and EY, October 2022

This document contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. On any specific matter, reference should be made to the appropriate advisor.