

# Innovation hatching in Greece amid slow economic revival

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A taxi-tracking tool, a head-hunting engine and a vertical gardening company—all business startups that have paradoxically emerged from a Greek economy long in the doldrums.

Faced with the worst unemployment wave in living memory, Greece's youth are turning away from the traditional pursuit of civil service or family-centred jobs, and towards innovation and foreign funding.

"If I can make it here, I can make it anywhere," muses Petros Boskos, a 35-year-old architect.

Alongside two of his friends, Boskos created Verdical, a company designing "vertical" gardens for the sides of buildings.

"It was basically my last chance to stay in Greece," he told AFP on the sidelines of a business innovation fair in Athens earlier this month.

Until recently, most Greeks fresh out of university contemplated life-long job security in a civil service post, or guaranteed employment in their family-owned business.

But that's no longer an option.

## From 'daddy's store' to innovation

The four-year Greek economic crisis killed off thousands of small and middle-sized companies, and staff cuts and hiring freezes imposed by the cash-strapped state has made new public sector hirings all but impossible.

One in two youths under 25 is currently out of work.

"The [public sector](#) and daddy's store have lost their sheen," says Aristos Doxiadis of Openfund, a venture capital fund.

Enter the innovation incubator.

In the last five years, at least eight such initiatives—offering advice to budding entrepreneurs with bankable ideas—have opened in Athens.

"We know that the Greek economy in its current form has no future," states Giorgos Vrachnis, manager of Egg, a business startup incubator backed by Eurobank, one of the main Greek lenders.

"But it will take time to invent a new, outward-looking model. The domestic market is too small," says Vrachnis.

Part of the challenge lies in the established mindset in Greek universities, where corporations and non-state funding are viewed with suspicion.

"I grew up learning that businessmen are not good people," says Boskos, the young architect.

Egg has a stable of 25 startups receiving one-year mentoring from industry experts in various sectors. Verdical, the garden designers, have won the right to stay for a second year.

The campaign is assisted by European Union funds—some 70 million euros earmarked under the Jeremie programme that helps small and medium-sized companies.

A number of nascent Greek funds like Openfund have been assigned to distribute the money.

According to Endeavor, a global non-profit organisation supporting entrepreneurship that opened a Greek branch in 2012, the sector has grown exponentially in the last four years.

## **Hatching the egg**

The number of startups has grown nearly tenfold between 2010 and 2013—from sixteen to 144—while investment rose from 500,000 euros to 42 million over the same period, Endeavor said.

"The Greek market was ripe for startup growth," says Spyros Trachanis, one of the managers of Greek fund Odyssey, arguing that valuable experience was gained during a first spurt in the telecoms sector a decade ago.

"The pitches we see are constantly improving in depth," says George Tziralis, one of the managers of Openfund.

Thirty-year-old Antonios Fiorakis has already tasted a measure of success with Incrediblue, a website for yacht and sailboat rentals in Greece, Turkey, Spain, Italy and Croatia.

So much so, in fact, that he's planning to open an office in London.

"Our clients have multiplied tenfold in a year, and for half of them, it was the first time they had spent on a boat," he said.

Two projects assisted by Openfund have also found their calling.

Taxibeat, an application that offers real-time cab tracking, was launched in 2011. It has found demand in several countries and its creators are currently raising more funds abroad.

And Workable, a hiring aid for companies, has been operational for two years and is being financed by a major Silicon Valley investment fund.

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