



Greek start-ups need tech talent from other countries

The Starttech Ventures survey on the need for Greek start-ups to recruit tech talent

Summary

A survey conducted by the entrepreneurial ecosystem Starttech Ventures shows that Greek tech start-ups are finding it increasingly difficult to recruit skilled workers. A total of 70 percent of the companies surveyed expect to employ more than ten people during the coming year, and 30 percent expect to hire more than five people. Half of the companies rate the difficulty of finding suitable applicants an eight or more on a scale of one to ten. Moreover, 60 percent have chosen not to fill open positions due to a lack of qualified applicants. The most sought-after skills are programming language expertise, organizational and time management skills, and teamwork skills. There is a need for many kinds of software engineers. The most difficult-to-find and sought-after engineers are front-end engineers, followed by full-stack engineers. But other types of software engineers are also needed and hard to find. The results are supported by previous studies and recent interviews that Starttech Ventures conducted with four start-up founders who participated in the survey.

While this challenge can be partially met by training more people already living in Greece, more is still needed. Therefore, some companies will need to attract talent from abroad who already have the skills that the companies are looking for. To meet this need, Starttech Ventures has launched a global competition for talented people with the right skills and the ability to communicate in English to win a job at a Greek start-up and *free legal and administrative support in obtaining their EU visa.*

Background: The need for tech talent

About the survey

Founded in 2012, Starttech Ventures is one of the world's first venture builders, a term for entrepreneurial organizations that invest in, help found, and scale tech start-ups. This survey results from an observation made by many of the companies in the network, namely, that they seemed to have difficulty growing due to problems with recruiting the right talent. Therefore, Starttech Ventures decided to conduct a survey to understand better the situation and what could be done. The following pages discuss the problem and present the survey results. Starttech Ventures surveyed a small group of companies that can be assumed to represent the needs of the larger group of companies in the sector. Interviews have also been conducted with the founders of four start-ups that participated in the survey. The aim was to understand their challenges better. The sample is small but still gives a clear picture and is in line with previous studies. At Starttech Ventures, we encourage further surveys in order to acquire an ever deeper understanding of the needs of Greek start-ups.

Previous observations

In February this year, Reuters published an article highlighting how the tech start-up scene in Greece is booming. The article gave the example of Viva Wallet becoming the country's first unicorn with a valuation of USD 2 billion after JP Morgan bought a minority stake in the company. The article also noted that tech start-up funding in Greece has increased tenfold since the economic crisis of 2015 and doubled in 2020 alone.¹

Andrew Keenan Wong is one of those who have chosen to move to Greece to work for the real estate tech start-up Blueground, which now employs more than 450 people across three continents. In an article published on the Endeavor Greece website, he describes how he is "still embarrassed" by the fact that he "didn't think of Greece as a

¹ K. Tagaris and R. Maltezou, "Greece's Fledgling Tech Scene Starts to Take Off." Reuters, February 2, 2022, <https://www.reuters.com/technology/greeces-fledgling-tech-scene-starts-take-off-2022-02-09/>

tech destination before coming across Blueground.”² He gives eight main reasons for moving to Greece and why he would do it again. He also debunks some myths about working in the Greek start-up scene, concluding that the salaries are becoming more competitive, especially when you also factor in the 14 months of salary. He also mentions the lower living costs, which make the salaries relatively better than they might seem at first sight. He also writes about how the red tape that has made it difficult for people to move to Greece for work is being “peeled away” by a more simplified and digitalized process. Above all, he was struck by the friendliness, inclusiveness, and warmth he experienced as a foreign worker. He concludes that “it doesn’t hurt that you’ll have bucket list destinations at [sic] your doorstep all year round.”³

In April 2020, a report written by Socialinnov and Tech Academy, and funded by Microsoft, concluded that “there is a vibrant community of developers in Greece, with members spread across all experience levels, possessing diverse skills, and coming from different educational and socioeconomic backgrounds. Yet, the demand for talent in the ICT industry tends to exceed the supply.”⁴ The report supports many of the findings of the Starttech Ventures survey. For example, a very similar percentage (around 60 percent) of the companies find it difficult or very difficult to recruit the right people.⁵ But it also shows that the need is not just limited to Greek start-ups; it also applies to other companies in the ICT sector and other sectors, such as banking and finance.⁶ This observation is also supported by the recruitment agency Adecco, which sees IT jobs as the “fastest growing” professions in Greece in 2022. It cites as an example the need for developers and software architects.⁷

² A. Keenan Wong, “What I Learned Working in Greek Tech (& Why I Would Do It Again),” Endeavor Greece, March 12, 2021, <https://endeavor.org.gr/what-i-learned-working-in-greek-tech/>

³ Ibid.

⁴ Socialinnov and Tech Academy, “Greek Market Needs in Tech Talent,” April 2020, p. 24, https://www.socialinnov.gr/wp-content/uploads/2021/12/Greek_Market_Needs_In_Tech_Talent_2020.pdf

⁵ Ibid., p. 18.

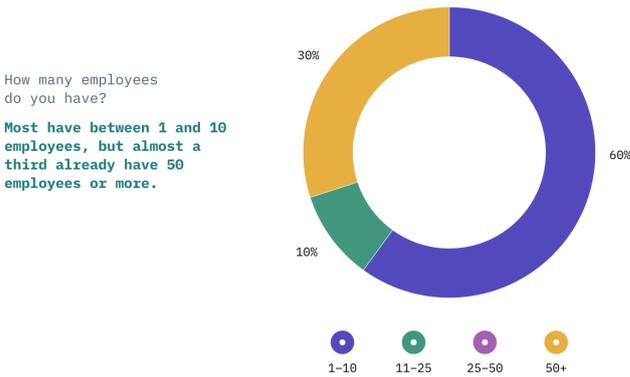
⁶ Ibid., p. 10.

⁷ Adecco, “The Fastest Growing Professions in Greece,” April 4, 2022, OT, <https://www.ot.gr/2022/04/18/english-edition/adecco-the-fastest-growing-professions-in-greece/>

The results of the survey

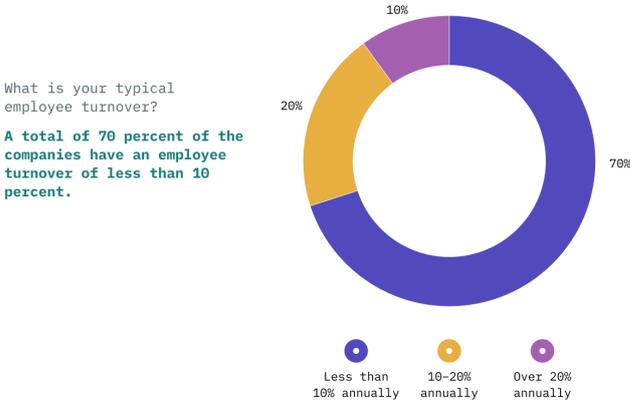
The companies surveyed

Starttech Ventures surveyed a small group of ten companies that can be assumed to represent the needs of the larger group of companies in the sector. Most have between 1 and 10 employees, but almost a third already have 50 employees or more.



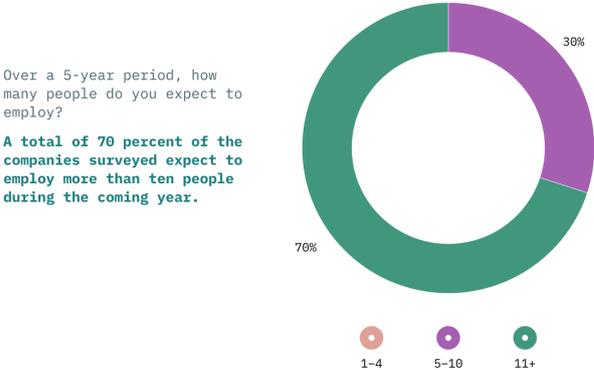
Low employee turnover

Only a tiny percentage of the companies have an employee turnover of 20 percent or higher. Most companies have excellent employee retention rates, which can be seen as a sign of high employee satisfaction. A total of 70 percent of the companies have an employee turnover of less than 10 percent, meaning that 90 percent of the employees stay at the companies when measured on an annual basis.



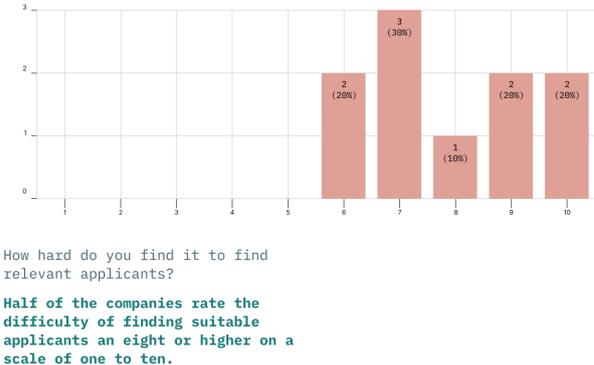
A great need for recruiting

A total of 70 percent of the companies surveyed expect to employ more than ten people during the coming year, and 30 percent expect to hire more than five people.



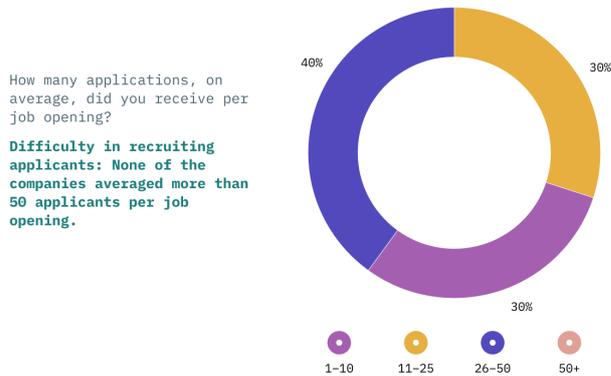
Many have difficulty finding suitable applicants

Half of the companies rate the difficulty of finding suitable applicants an eight or higher on a scale of one to ten.



Difficulty in recruiting applicants

Many companies surveyed also found it challenging to recruit enough applicants to fill open positions. None of them averaged more than 50 applicants per job opening. In total, 40 percent had fewer than 50 applicants, and 60 percent had fewer than 25.



Hard-to-find skill sets

Programming language expertise, organizational and time management skills, and teamwork skills are the most difficult-to-find skill sets. But it is difficult to find other skills as well.

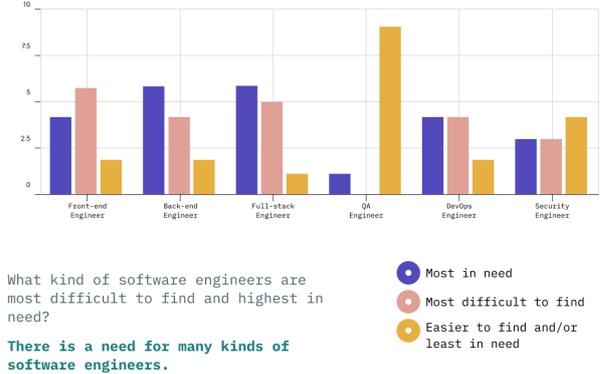


What skill sets do you have the most difficulty finding?

Programming language expertise, organizational and time management skills, and teamwork skills are the most difficult-to-find skill sets.

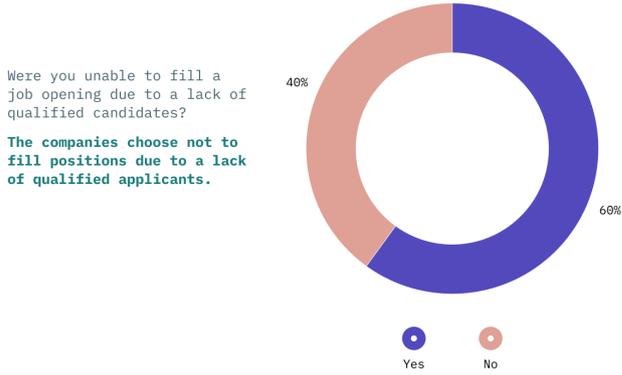
There is a need for many kinds of software engineers

There is a need for many different types of software engineers. The most difficult-to-find and sought-after engineers are front-end engineers, followed by full-stack engineers. But other types of software engineers are also in demand.



The companies choose not to fill positions

Sixty percent have decided not to fill open positions on at least one occasion due to a lack of qualified applicants. This is a similar percentage to those companies surveyed in the Socialinnov report that found it complex or very difficult to hire the right people.⁸



⁸ Socialinnov and Tech Academy, “Greek Market Needs in Tech Talent,” p. 18, https://www.socialinnov.gr/wp-content/uploads/2021/12/Greek_Market_Needs_In_Tech_Talent_2020.pdf

Interviews

The founders of four start-ups that participated in the survey have been interviewed. The reason was to see if qualitative data supports the picture painted by the numbers in the questionnaire. The interviews were based on the questions in the questionnaire but also allowed for providing a more in-depth perspective on the challenges.

Athanasios Papagelis is the founder of Epignosis, a company with over 11,000 customers and currently 185 employees. The company specializes in developing content platforms to enable its customers to train their workforce more efficiently. Epignosis is a remote-first company with employees all over Greece and other countries. Most employees are in the same time zone. Athanasios believes this is needed to collaborate seamlessly.

The company expects to hire 80–90 people over the next two years. The employee turnover is less than 10 percent, meaning that the company is growing quickly.

“We try to build a strong culture where people like to go to work. The people we hire must have the skills to excel at their work. But they must also have a willingness to learn, a team spirit, and a growth mindset, which means that they want to grow and contribute to the growth of others. We try to avoid job hoppers because we believe long-term relationships are best for all,” says Athanasios.

Epignosis is having difficulty finding people to fill all kinds of engineering jobs.

“All engineering positions are hard to fill right now. Full-stack, backend, and mobile developers are all very hard to find. The most difficult to find **are** more-senior people with a growth mindset who want to contribute to the company long term.”

Michael Petychakis is the cofounder and CTO of ORFIUM, one of Greece’s most exciting scale-ups. ORFIUM is a technology company that provides software, data, and licensing solutions for the entertainment industry. The services solve the industry’s most complex music, content, and rights management problems. Michael has a background in AI and robotics. He studied at the National Technical University of Athens, completing an MS in electrical and computer engineering and a Ph.D. in

researching application programming interfaces (APIs). The company has more than 300 employees worldwide and is expanding fast. The company has been able to recruit talent through Michael's network in the education system. Michael believes that universities and the educational system as a whole must align more with the needs of the companies and that there need to be stronger links. He recommends that universities create closer ties with the companies so the companies can efficiently recruit and the students can enter the labor market faster.

“Right now, there are only two ways to recruit people from universities: internships or connecting with students doing examination projects. We would need more alumni networks and organized ways of connecting. We work a lot with internships and train people whom we need.”

Even though the company can fill some of the needs by training university students, it also has problems filling positions, especially with more-senior developers.

“We need senior talents for the company to grow. We are being held back at some level and could create more jobs and generate more for the country's welfare if we could fill our open positions faster and at a lower recruiting cost. It takes money and time to recruit, and that could be invested in helping our clients and creating more growth opportunities. Being able to bring experts to Greece from other countries would be helpful for us,” says Michael.

The company has offices in Los Angeles, Tokyo, London, and Greece.

“We would love to help people relocate to Greece. We want to increase diversity and would like to hire people from other countries. Diversity is important for practical reasons. We have seen that it contributes to creativity by having people with different backgrounds and perspectives. By mixing more people and cultures, we get more-creative teams. They, of course, need the right skills and ability to communicate with the rest of the team in English, but there should be many people out there matching those criteria,” says Michael.

Vangelis Mihalopoulos is the CEO and cofounder of Yodeck, a cloud-based digital signage platform that enables the design, schedule, and display of content from the web. The company has 54 employees who are primarily located in Athens. They also have a small office in Cyprus and a few working remotely.

“Building culture and relationships is important for us. Since the start in 2014, only five people have left the company; people like working here and stay. We provide opportunities to take on new challenges within the organization and to have ownership in the company,” says Vangelis.

Vangelis also believes there is a link between meeting in person and developing solid relationships, which means that even though remote working can be a possibility in the long term, physical closeness is essential in many ways.

“I believe an important part of creating an inclusive working environment is that you are growing as a person both in your role and in relationships with your colleagues. It is easier to create that kind of environment if you meet physically. Therefore, we prefer having people on site if possible. But remote working can be a way to start with an intention to relocate,” says Vangelis.

The company is having difficulty finding people with the right skills for senior positions.

“Front-end developers and security engineers are the hardest to find for us. Quality assurance engineers who write software tests to automate software testing are also difficult to find,” says Vangelis.

Vangelis stresses that relocating talent can take time, and, therefore, it is essential to make it easier.

“We know that it can take time, which is a challenge for our company and the people we are trying to relocate. At the same time, we think it is worth trying because there is a need and an opportunity. We also think that more and more people realize that we must simplify the process, and there needs to be more dialogue in finding ways to do

so. We are happy that Starttech is ready to help in relocation, and we believe that we will be able to find ways if the right talents apply for our open positions,” says Vangelis.

Sherif Barakat and **Jimmy Nicolaides** are the founders of Swaplanet, a tech start-up in Athens with the vision of contributing to a healthier planet by reducing textile waste. They make it possible for people to give a second life to children’s clothing and to find affordable clothes that can be reused. This creates economic gains for the customers while contributing to a healthier environment.

The company is a bit different from the other companies in the study since it is not a tech company per se. But it is at the same time an example that all kinds of companies are developing a more substantial need for tech talents and are finding it difficult to hire them, and for Swaplanet, finding a senior full-stack developer and a CTO with the right profile for the company has not been easy. The company needs to recruit talent with experience building automated platforms from scratch and strategic and operational skills.

“It is important that the processes in developing the automated platform we need are done seamlessly. For that to happen, the person or persons must deeply understand how things can work together. We have not been successful in recruiting that kind of talent,” say the founders.

The intuitive thought might be that automation will replace or take away jobs. Still, the company founders believe that automation is essential for the company’s resilience and the creation of more jobs.

“We have a competitor that has automated its operations, and that did not reduce its job creation; in fact, the opposite since that creates new jobs in other areas and makes it possible for the company to scale its operations in a way that cannot be done manually,” say the founders.

Conclusion

The Greek tech scene is booming. Despite the shaky global economy, Greek tech companies are growing and are in dire need of talent. Their difficulty in finding the right talent will likely affect their growth and ability to scale their operations. As a result, the Greek economy is missing jobs and tax revenues. These problems can be remedied if positions are filled. Also, fast-growing Greek companies can compete internationally and bring more jobs to Greece. Many things are needed to resolve this situation. Naturally, more people need better education and training to fill these jobs. This can be seen as a strong indication of the need for more significant educational investments that correspond to the company's needs. But it also means there is a real opportunity for skilled foreign workers to relocate to Greece and work for Greek start-ups. By doing so, they can help more Greek start-ups grow and create even more jobs in the future. That is why Starttech Ventures has launched a global competition where talented people with the right skills and the ability to communicate in English can win a job at a Greek start-up and *free legal and administrative support in obtaining* their EU visa.

About Starttech Ventures

Founded in January 2012, Starttech Ventures is one of the world's first professional venture builders. Based in Europe and headquartered in Athens, Greece, we build on great successes, such as AbZorba Games, Epignosis, and Yodeck.

We specialize in early-stage B2B SaaS companies and focus on founders from the Eastern Mediterranean and Southeast Europe. Our mission is to design and apply a consistent and financially efficient model that successfully launches and scales new tech companies.

For further information, contact

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Enter the competition here:

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