

## Explaining the paradoxical Greek shipping “miracle”

*“Learning about Greek shipping is learning about shipping”*

To the extent that the Greeks are world leaders in deep ocean shipping, identifying Greek shipping success factors is almost synonymous to identifying uni-

versal shipping success factors. Some idiosyncrasies of the Greek shipping tradition and culture may be unique, but they find ways to channel into strategic winning factors that are universal in nature. In this respect, we feel that some elements explaining Greek-owned shipping supremacy that became evident from the empirical research conducted for the purposes of this book, will also be interesting and pertinent to scholars and professionals of shipping per se.

Many of the leading firms in this research, including TEN, the Angelicoussis group, StealthGas etc., trace back their roots to the island of Chios. Is this a paradox in contemporary management? Does the “Chiot gene” still play such a role in contemporary shipping? Chios, Andros, Ithaca, Syros, and Sifnos are but a handful of rather insignificant economically Greek islands, that gave birth to some of the most powerful Greek shipping dynasties still going strong in 21<sup>st</sup> century shipping. But the shipping clusters are no longer there. They moved to places such as Piraeus, or further away places like Singapore, London, Hamburg, Shanghai, New York. If the cluster explanation is no longer valid, what is then the scientific explanation of the origin effect in today's global shipping? Traditions did play some role in shipping know-how spreading in the early years. Islanders, familiarized with the sea and seaborne trade from early on, developed shipping skills as a way to make a living in tough times. Knowledge on shipping and seaborne trade started to develop. But again, this early knowledge is not a truly important factor to effectively face the complexities of contemporary global shipping.

The explanation seems to be related to the family-controlled shipping model and the gradual, genetic-like, progressive shipping knowledge accumulation and effective inter-generational transfer within the context of a family firm. Distrust of others, secrecy, and survival tactics in those turbulent and challenging times led to the incredible strengthening of family ties in Greek culture in general, and in shipping in particular. The shipping business was organized around families and controlled by families. We can witness family shipping values being prevalent even today in the majority of Greek leading companies, including public companies. Families act as clans, protecting their interests in hostile environments. Shipping knowledge accumulates within the family and is transferred effectively, from generation to generation. Continuous tacit knowledge accumulation even beyond one's lifespan develops “shipping wisdom”, a profound and intimate body of knowledge regarding the shipping industry, and its main characteristics. Memories from the past about different shipping eras, ship technological evolution, ship management, cyclicity patterns, upturns and downturns, opportunity exploitation, the secrets of the trade come alive to new generations within the inter-generational shipping knowledge agenda. Inherited shipping knowledge acts as inherited biological code. This ever-expanding and evolving body of shipping knowledge, within the context of the Greek shipping family, allows new generations to outguess and outperform competitors. Family successions tend to be smooth. Family disputes are usually kept to a minimum through flexible asset separation and

company spin-offs. In many cases, family succession goes miraculously well. For Anthony Angelicoussis, there follows John Angelicoussis, for Panagiotis Tsakos, there follows Nikos Tsakos, for Nikolas Frangos, there follows Angeliki Frangou. Greek families immersed in shipping are the nuclei of Greek shipping success even in contemporary shipping as they provide vehicles for profound and evolving shipping knowledge accumulation. Agility, flexibility and adaptability, capacity to act in chaotic environments, building cooperative relationships, fast decision making, the merits and drive for cost efficiency in ship operations, immense, sometimes romantic love for shipping and the sea, obsession with vessel maintenance, ship operation know-how, profound sector knowledge, customer centricity, forecasting ability, cosmopolitan attitude, preparedness for opportunity exploitation, deep appreciation of shipping cycles, incredible sense of timing, risk-taking, management-ownership alignment, family values, shipping entrepreneurship & leadership skills are some of the inherited values. New tools are constantly being developed and adopted, but the inherited values are shipping sector classic. These values are directly related to the shipping strategy enablers of chapter 5 that enhance the strategic capability of shipping firms to implement a winning mix of the defined strategic archetypes. Needless to say, there is a multitude of additional factors that add to the explanation of Greek shipping prowess, such as cluster and internal competition arguments, the favourable tax status as first set by legislation 2687/1953, and the lack of Greek state bureaucracy encroachment on this globally regulated industry, but the main drivers seem to be associated with the dominant family controlled Greek shipping model, that is positively correlated to the strategic enablers and the shipping strategy archetypes outlined in the present book, as manifested in the examined cases.