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Strategic Renewal and Operational Change:

A Business Transformation Framework for the Secondary
Packaging Sector

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Patras, Greece, May 2026

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I would like to express my sincere gratitude to my supervisor for his guidance and support at every stage of this work.

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This work is dedicated to my family, for their unconditional support and belief in me.

Abstract

The secondary packaging industry is a particularly demanding business environment, where operational pressure, cyclical demand and dependence on raw material prices make a structured transformation necessary. In this context, this dissertation examines how a company in this industry can recover from conditions of operational inefficiency and financial pressure, having developed a comprehensive framework for strategic renewal and business transformation. Through the combination of a literature review and applied analysis, the framework is examined in real data of an anonymized company in the industry.

The bibliographic base of the study draws information from the Theory of Resources and Capabilities, Dynamic Capabilities, the Lean philosophy and modern business transformation frameworks, which are applied in combination to develop a proposal for a transformation framework. This framework covers strategic renewal, operational restructuring, commercial system reorganization, and financial restructuring.

Subsequently, through the financial evaluation, the quantitative effectiveness of the proposed interventions is demonstrated, through the improvement of operational profitability, the de-escalation of financial leverage and the maintenance of adequate liquidity.

Overall, the dissertation contributes to bridging transformation theory with practical financial documentation, offering an applicable framework of reference for industrial companies facing similar challenges.

Keywords

Strategic Renewal, Business Transformation, Secondary Packaging, Financial Restructuring, Operational Efficiency, Dynamic Capabilities

Περίληψη

Ο κλάδος της δευτερογενούς συσκευασίας αποτελεί ένα ιδιαίτερα απαιτητικό επιχειρηματικό περιβάλλον, όπου η λειτουργική πίεση, η κυκλική ζήτηση και η εξάρτηση από τις τιμές των πρώτων υλών καθιστούν απαραίτητο έναν δομημένο μετασχηματισμό. Σε αυτό το πλαίσιο, η παρούσα διατριβή εξετάζει πώς μια εταιρεία σε αυτόν τον κλάδο μπορεί να ανακάμψει από συνθήκες λειτουργικής αναποτελεσματικότητας και οικονομικής πίεσης, έχοντας αναπτύξει ένα ολοκληρωμένο πλαίσιο για στρατηγική ανανέωση και επιχειρηματικό μετασχηματισμό. Συνδυάζοντας βιβλιογραφική τεκμηρίωση και εφαρμοσμένη ανάλυση, το πλαίσιο αξιολογείται μέσα από την εφαρμογή του σε πραγματικά δεδομένα ανώνυμης εταιρείας του κλάδου.

Η θεωρητική βάση της μελέτης στηρίζεται στη Θεωρία των Πόρων και Ικανοτήτων, στις Δυναμικές Δυνατότητες, στη φιλοσοφία Lean και σε σύγχρονα πλαίσια επιχειρηματικού μετασχηματισμού, τα οποία εφαρμόζονται σε συνδυασμό για την ανάπτυξη μιας πρότασης πλαισίου μετασχηματισμού. Οι προσεγγίσεις αυτές αξιοποιούνται συνδυαστικά για τη διαμόρφωση ενός ολοκληρωμένου πλαισίου μετασχηματισμού, το οποίο περιλαμβάνει τη στρατηγική ανανέωση, τη λειτουργική αναδιάρθρωση, τον επανασχεδιασμό του εμπορικού μοντέλου και την οικονομική αναδιάρθρωση.

Στη συνέχεια, μέσω της χρηματοοικονομικής αξιολόγησης, αποδεικνύεται η ποσοτική αποτελεσματικότητα των προτεινόμενων παρεμβάσεων, μέσω της βελτίωσης της λειτουργικής κερδοφορίας, της αποκλιμάκωσης της χρηματοοικονομικής μόχλευσης και της διατήρησης επαρκούς ρευστότητας.

Συνολικά, η διατριβή συμβάλλει στη γεφύρωση της θεωρίας μετασχηματισμού με την πρακτική χρηματοοικονομική τεκμηρίωση, προσφέροντας ένα εφαρμόσιμο πλαίσιο αναφοράς για βιομηχανικές εταιρείες που αντιμετωπίζουν παρόμοιες προκλήσεις.

Λέξεις – Κλειδιά

Στρατηγική Ανανέωση, Επιχειρηματικός Μετασχηματισμός, Δευτερογενής Συσκευασία, Χρηματοοικονομική Αναδιάρθρωση, Λειτουργική Αποδοτικότητα, Δυναμικές Ικανότητες

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1. Introduction

1.1. Background and Study Framework

Today's business environment is characterized by high levels of volatility, increasing technological expectations, cost-cutting pressure and need for steady operational performance. Organizations, in such environments, rather than rely on static structures and traditional operating models, require constant adaptation, renewal and restructuring of their processes. Thus, the ability of an organization to renew its strategy, implement organizational changes and integrate improvement mechanisms is a critical factor for survival and competitiveness.

The secondary packaging industry is a characteristic example of such environments, where operational intensity, pressure of cost and high demands of production consistency make transformation even more necessary. The need for efficiency, automation, flexibility and adaptation to customer requirements creates significant challenges, which cannot be addressed without an integrated strategic approach. Within this context, this dissertation examines how the basic theoretical concepts of transformation are linked to the specificities of the secondary packaging industry.

Based on the above, it becomes necessary to clarify the specific problems that businesses face in such environments of high operational intensity.

1.2. Problem Identification

Although there are many theoretical approaches to business transformation, they are often examined independently, with strategic renewal being treated as a matter of strategic direction, organizational change as an implementation process, Lean management as operational improvement tool and financial dimension as a mechanism for measuring results. However, in practice, the organizations need a unified framework, which connects the above dimensions into a coherent transformation path.

In the secondary packaging industry, this need is even more critical, as many organizations struggle to translate strategic goals into meaningful operational improvements, due to limited flexibility, slow procedures, cultural resistance or insufficient alignment between strategic changes and operational action. Thus, the result is transformational initiatives that do not deliver the desired results or are not sustainable in the long term. The main issue, therefore, is how organizations can effectively coordinate their strategic, organizational and operational changes, while ensuring financial sustainability.

The above issues highlight the need for research that systematically interprets the transformation dimensions in this specific business framework.

1.3. Purpose, Research Questions, Objectives

The purpose of this dissertation is to develop a comprehensive theoretical and analytical basis for the understanding of business transformation in the secondary packaging industry. In particular, the dissertation seeks to examine how strategic renewal affects organizational and operational restructuring and to highlight the role of Lean principles as a practical enhancing mechanism of operational efficiency. In addition, it seeks to analyze the main business transformation frameworks and their usefulness in high operational intensity environments and finally to investigate how the success of the transformation is reflected in financial and operational performance indicators.

In this way, the dissertation seeks to offer a coherent approach to implementing transformation in an industry where efficiency and consistency are critical factors of success.

To clarify how the above purpose can be achieved, a series of research questions are formulated, which concern

RQ1. The ways in which strategic renewal can be combined with simultaneous organizational and operational changes,

RQ2. investigating the contribution of Lean philosophy to the implementation of effective transformation initiatives,

RQ3. examining the ways in which modern business transformation frameworks integrate strategy, organization and operation, and

RQ4. which financial and operational indicators are appropriate for evaluating the performance of transformation in industrial environments.

The formulation of these questions leads to a series of specific research objectives that guide the study. These objectives are:

- the analysis of theoretical foundations of strategic renewal
- the investigation of the mechanisms of organizational and operational change
- the evaluation of Lean management as transformation tool
- the examination of modern business transformation frameworks
- the investigation of the financial reflection of the transformation through appropriate performance indicators
- the connection of the above theoretical approaches with the secondary packaging sector.

To achieve these objectives, the following methodology is chosen, which aligns with the theoretical and analytical nature of the dissertation.

1.4. Methodology

The dissertation follows a mixed-methods approach, structured as an applied qualitative case study supported by quantitative financial forecasting. The qualitative dimension is based on the combination of a systematic literature review and an anonymized case study, which is based on data and internal information provided by the company exclusively for the purpose of this study. The quantitative dimension is expressed through a driver-based financial model, comprising three projected financial statements and the analysis of six financial ratios, which together quantify the expected impact of the proposed transformation framework.

The choice of this methodology allows the connection of theory and practice and the formation of a comprehensive transformation framework adapted to the needs of the secondary packaging industry, while enhancing the validity of the research and supporting the understanding of the strategic, organizational and financial parameters of the transformation.

1.5. Academic and Practical Contribution

This dissertation contributes academically to the connection of different theoretical fields, namely strategic renewal, organizational change, Lean management and business transformation, that are often examined independently, offering a comprehensive framework for understanding change in operationally challenging industries.

The practical contribution concerns the potential utilization of this framework by executives of the secondary packaging industry, as a tool for planning and implementing transformative interventions that enhance organizations' efficiency and sustainability.

For a better understanding of the course of this study, the structure of the dissertation is presented in the following section.

1.6. Dissertation Structure

The dissertation is organized in seven main chapters, with the first chapter presenting the background and framework of the study, the purpose, the research questions, the objectives, the methodology and the contribution. In the second chapter, a literature review of the theoretical approaches related to strategic renewal, organizational change and restructuring, is presented, as well as the basic frameworks of strategic and operational management that support business transformation. Next, in chapter 3, the secondary packaging industry is presented, with emphasis on its structure, its technological and purchasing trends, as well as the competitive environment in which the companies of the industry operate. In chapter 4, the key characteristics of the company under study are examined, strengths and weaknesses are analyzed, as well as the main challenges and opportunities that affect its business course. Chapter 5 presents the proposed transformation framework, which combines strategic readjustment, organizational restructuring and the commercial and logistic parameters required for the renewal of the business operation. In chapter 6, the basic economic assumptions, the expected results and the assessment of the transformation impact on critical financial indicators, such as profitability, liquidity and value creation are developed. Finally, chapter 7 summarizes the main findings of the study, presents practical recommendations and formulates suggestions for future research.

2. Literature Review

2.1. Introduction

The literature review of Chapter 2 examines the basic theoretical approaches related to business transformation, strategic renewal and organizational change, seeking to highlight the conceptual background of the study and to present the models, processes and factors that influence the successful implementation of a transformation.

First to be analyzed is the concept of strategic renewal, which is a critical mechanism for maintaining the competitiveness of businesses in highly volatile environments, while subsequently, the theories of organizational and operational change are analyzed, focusing on the restructurings that allow organizations to adapt effectively to strategic requirements.

Moving on to the chapter, Lean management and related efficiency models are presented, highlighting their role as mechanisms for operational restructuring and cultivating a culture of continuous improvement. Subsequently, modern business transformation frameworks are examined, which connect strategy, technology, leadership and organizational culture in a single change model, while finally the financial dimension of transformation is presented, through performance indicators.

Through this structure, the literature review establishes the theoretical framework that supports the study and prepares the ground for the application of concepts in the next chapter.

2.2. Strategic Renewal

2.2.1. Introduction to Strategic Renewal concept

Strategic renewal is one of the most important processes through which businesses seek to maintain their competitive advantage, as well as their sustainability, in dynamic environments. In concrete terms, it concerns all the actions by which an organization redefines its strategy, renews its core competencies and modifies its structure, in order to adapt successfully to dynamic market conditions. Consequently, it can be said that it is a multidimensional concept

that includes both the process, the content and final outcome of the organization change (Agarwal & Helfat, 2009).

The need for strategic renewal in organizations arises when external pressures appear, such as technology evolution, intense competition and globalization (Volberda, Baden-Fuller, & van den Bosch, 2001). Thus, in such continuous changing conditions, the firms that rely exclusively on existing strategies and structures risk being trapped in stagnation, while those that are flexible and have the ability to adapt to dynamic environments, i.e. dynamic capability as reported by Teece et al. (1997), can renew their strategy in time.

There are two main types of strategic renewal: the discontinuous strategic transformation, which is achieved through a radical transformation of the organization and the incremental renewal, which is the result of continuous small or big interventions aimed at improving efficiency or exploiting new opportunities. In this context, the theory of firm's internal resources and capabilities (Resource-Based View – (Barney, 1991), as well as the evolution of RBV, namely dynamic capabilities (Teece, Pisano, & Shuen, Dynamic Capabilities and Strategic Management, 1997), offer a theoretical background for understanding how firms can redefine and develop their internal strengths as a lever for strategic renewal.

2.2.2. Theoretical Foundations of Strategic Renewal

The concept of strategic renewal is based on a series of theoretical approaches to strategic management, which attempt to explain how the organizations create and maintain their competitive advantage in a continuous dynamic environment. As previously mentioned, two of the most basic theoretical approaches, for understanding how strategic renewal is achieved, are the Resource-Based View (RBV) and the Dynamics Capabilities theories (Teece, Pisano, & Shuen, Dynamic Capabilities and Strategic Management, 1997).

According to RBV theory (Barney, 1991), a firm can achieve long-term competitive advantage when its resources are valuable, rare, imperfectly imitable and non-substitutable. In order therefore for an organization to maintain the strategic value of its resources, there is need for its resources' continuous reassessment and restructuring. Organizations that fail to renew or redefine their core competencies face the phenomenon of *strategic inertia*, which leads to stagnation and loss of competitiveness.

Despite its significant contribution, the RBV has been criticized for being basically static, since it assumes that resource bases are relatively stable and does not sufficiently explain how organizations renew their capabilities under conditions of rapid or disruptive change. While Eisenhardt and Martin (2000) emphasize that dynamic and turbulent contexts require more adaptive processes that go beyond the RBV's focus on resource endowments, Priem and Butler (2001) state that the RBV provides limited insight into how organizations respond to radical shifts in their environment.

The Dynamic Capabilities theory, according to Teece, Pisano και Shuen (1997), which complements and extends RBV theory, states that a firm's valuable resources are not sufficient for its sustainability and that the organizations should also possess the ability to integrate, renew and reshape these resources in response to technological and market challenges. Furthermore, dynamic capabilities are linked to three critical functions: sensing opportunities, seizing them and reconfiguring resources. Thus, the organization that manages to combine all the above three can systematically renew its strategic basis.

Additionally, Helfat and Peteraf (2003) introduced the capability lifecycles concept, according to which the organizational capabilities evolve, mature and sometimes decline, creating the need for continuous renewal and/or replacement. This theory, which seems to serve as a bridge between RBV and Dynamic capabilities theories, offers a new perspective on strategic renewal, where adaptation and innovation are repeated processes of learning and redesign.

2.2.3. Mechanisms of strategic renewal

Strategic renewal, besides being a theoretical concept, is also a process that takes place through specific organizational mechanics and dynamics, such as the continuous interaction between the exploration of new possibilities and the exploitation of old certainties (March, 1991). However, the core mechanism of strategic renewal requires a balance between the above two, as organizations that focus excessively on exploitation of existing capabilities risk being trapped in stagnation, while those that invest exclusively in exploration may face the risk of instability and loss of effectiveness.

Another critical mechanism of strategic renewal is the organizational learning, through which the organizations transform knowledge into new strategic direction. Based on this, Crossan and Berdrow (2003) proposed in their paper the *4I framework*, derived from the four basic

stages/processes, Intuiting, Interpreting, Integrating, Institutionalizing, which describes how individual knowledge is transformed into collective processes and ultimately into institutionalized practices. Therefore, strategic renewal is not just a matter of planning, but a process of learning and comprehension of new knowledge at all levels of the organization.

Equally significant is the participation of all levels of management in strategic renewal, as well as communication between them (Floyd & Lane, 2000). Therefore, the success of strategic renewal depends on the ability of senior and middle level management, who act as a translator between strategic planning and operational implementation, to interpret and convey strategic directions.

To conclude, strategic renewal mechanisms include ongoing learning, organizational adaptability and cooperation between all levels of the organization, while the success of the process depends on whether the company can strengthen its collective ability to learn, adapt and renew.

2.2.4. Organizational Ambidexterity and Strategic Renewal

As mentioned earlier, one critical aspect in relation to strategic renewal is the ability of an organization to achieve balance between exploitation and exploration (March, 1991). This balance is expressed through the concept of organizational ambidexterity, i.e. the ability of an organization to pursue stability and change simultaneously. Raisch and Birkinshaw (2008) argue that the companies which can simultaneously manage these two conflicting priorities achieve sustainable competitive advantage, as they ensure short-term efficiency and long-term adaptability.

In addition, ambidexterity does not only concern strategic choice, but mainly the structure and culture of the organization. In the study of O'Reilly and Tushman (2004), ambidextrous organizations model is proposed, where different units or groups take on distinct roles. Some focus on improving existing functions, while others explore new growth opportunities, while ensuring common leadership and strategic orientation.

Organizational ambidexterity, therefore, is a critical mechanism of dynamic capability, as it enhances firm's ability to renew its resources and processes (Teece, Pisano, & Shuen, Dynamic Capabilities and Strategic Management, 1997), a capability that concerns the structure as well as the culture, as it requires open communication, learning and flexibility at all levels of the

organization (Crossan & Berdrow, Organizational Learning and Strategic Renewal, 2003; Floyd & Lane, 2000). Nevertheless, the existence of institutional mechanisms, which encourage teamwork between senior and middle managers, contributes to the diffusion of innovation without business continuity disruption (Agarwal & Helfat, 2009).

Lastly, for industrial companies, such as those in the secondary packaging sector, ambidexterity is of critical importance, as the need for operational efficiency coexists with the need for innovation in products, materials and procedures.

2.2.5. Types of change facilitating Strategic Renewal

While the previous sections focused on how renewal occurs through learning and ambidexterity, in this section are presented the ways in which this change is shaped and evolved at organizational and environmental level, shaping the overall business transformation.

Thus, to better understand strategic renewal, Van de Ven και Poole (1995) proposed four fundamental mechanisms, that explain the organizational transformation's dynamic. According to their study, the first mechanism is the *life-cycle*, where renewal follows a natural course of development. Next is the *teleological mechanism*, which is based on deliberate and targeted action to achieve desired results. Then follows the *dialectical mechanism*, in which opposing forces within the organization are confronted and synthesized resulting in renewal. And finally, they introduced the *evolutionary mechanism*, which is based on continuous adaptation to external forces and environmental changes.

In addition, as strategic renewal does not have a single form, the different mechanisms help to better understand this. Therefore, some organizations follow a planned and progressive course of change, aligned with specific strategic plans, while others adopt adaptive and opportunistic forms of transformation, where renewal emerges gradually through experience and interaction with the environment (Agarwal & Helfat, 2009).

Respectively, Volberda, Baden-Fuller and Van den Bosch (2001) introduce incremental and transformational renewal, of which the former focuses on continuous improvement and organizational learning, while the latter on the fundamental redefinition of the strategic position and structure of the organization, emphasizing that the choice depends on the degree of environmental uncertainty and the flexibility of the organization to respond to changes.

Taken together, the mechanisms, capabilities and forms of renewal presented above, demonstrate that strategic renewal is not only a matter of redefining direction but also of reshaping structures, processes and behaviors internally. For strategic intent to become operational reality, renewal must be followed by organizational and operational adjustments that support the new strategic orientation. The next section therefore examines organizational change as the practical domain through which strategic renewal becomes embedded into everyday functions and structures.

2.3. Organizational change and restructuring

2.3.1. Concept

Organizational change is a systematic process through which companies adapt their structure, processes and culture to respond to continuous changing environments (Burnes, 2017) and is a dynamic and multidimensional concept that includes changes in strategic direction, systems and human behaviors. Operational change, as subset of organizational change, focuses on the improvement and redesign of processes with aim to achieve efficiency and effectiveness (Senior, Swailes, & Carnall, 2020). Both forms of change are key mechanisms through which strategic renewal is implemented.

The need for change arises when the existing strategy and organizational practices are not consistent with the external needs of the market. In this context, restructuring is often the most tangible form of organizational change, as it includes redesigning the structure, merging or separating functions, re-examining roles and reallocating resources in order for the organization to remain viable in a dynamic environment (Agarwal & Helfat, 2009). In other words, organizational and operational change are the practical means by which the company turns strategic intent into real action.

Furthermore, as has already been mentioned earlier, successful change depends on the degree of participation and commitment of all level executives (Floyd & Lane, 2000), with the most critical of all, the role of middle level management as a link between strategy formulation and operational implementation. Through this collaborative process, organizational change is not

limited to technical interventions, but evolves into a coherent tool for strategic renewal, allowing businesses to adapt, learn and renew themselves continuously.

2.3.2. Organizational Change Models

Organizational change theory has been developed through a variety of models that attempt to explain how organizations can systematically and effectively transform. Although they differ in their structure and philosophy, most of them approach the same perspective, which is that change is a gradual, manageable and targeted process, that requires participation, communication and leadership (Burnes, 2017). Below are presented three of the most basic models of organizational change: Lewin's Three-Step model, Kotter's eight-step change model and McKinsey 7S Framework.

Starting with Lewin's Three-Step model (Burnes, 2017), which is considered the foundation of organizational change, this includes the *unfreeze – change – refreeze* stages, which describe the transition of the organization from a state of stability to a new equilibrium. The first stage seeks the disengagement of long-established practices, the second to implement new behaviors and processes and the third to consolidate these changes within the organization's culture. In addition, this model forms the basis for modern approaches and remains particularly useful in cases of restructuring, where a gradual transition to new structural shapes is required.

Furthermore, Kotter (1995) developed the eight-step change model (Figure 2.1), as an evolution of Lewin's model, emphasizing leadership and organizational culture. This model because it offers a clear framework for managing employee resistance and aligning personnel with the new strategy, is especially useful for significant structural or operational changes.

However, precisely because of its linear and static nature, which assumes that change unfolds through clearly defined and sequential stages, Kotter's model has been heavily criticized. Thus, as Hughes (2011) notes, real organizational environments are much more complex and often require iterative or emergent forms of change that Kotter's framework does not adequately capture, while on the same wavelength Appelbaum et al. (2012) argue that the model underestimates the unpredictability and dynamic interactions that characterize modern organizational transformations.

The third model is the 7S Framework (Waterman, Peters, & Phillips, 1980), also known as McKinsey 7S Framework. This model emphasizes that successful change requires seven

interrelated elements, which are Strategy, Structure, Systems, Superordinate goals, Style, Staff and Skills and is especially useful for business transformation, since it indicates that any change in strategy or structure must be accompanied by corresponding adjustments in values, skills and culture of the organization.

In summary, these three models provide different but complementary ways of understanding organizational change and restructuring and they offer theoretical tools for the systematic management of all forms of strategic and operational transformation.

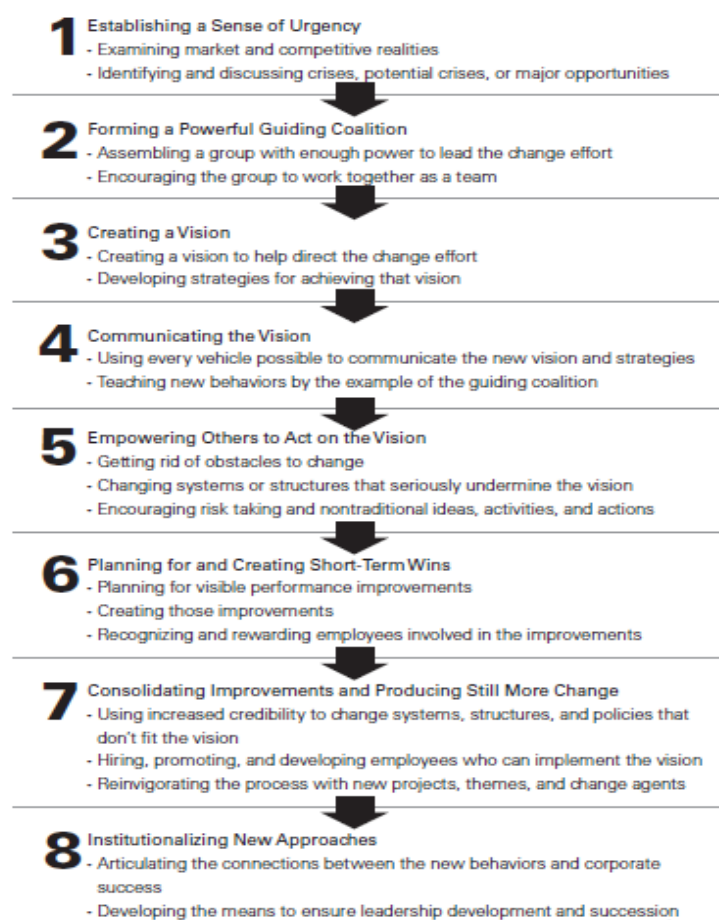


Figure 2.1 Eight steps to transform your organization

Source: (Kotter, 1995)

2.3.3. Success and Failure Factors

The ability of the organization to integrate strategic planning with personnel and culture aspects of change is crucial to the success of the organizational change or restructuring. When there are no internal acceptance and trust, even the most well-planned restructuring can fail (Burnes,

2017). Thus, change is more than a technical process of restructuring. It is a process in which personnel's attitudes, values, and perceptions shape the result.

In addition, Kotter (1995) points out that the most common obstacles come from the absence of a clear vision, lack of communication and the inability of leadership to create a sense of urgency. In order therefore to maintain employees' trust and commitment during the process of restructuring, where uncertainty and insecurity are dominant, any guidance must be consistent and transparent. Thus, leadership is the catalyst that transforms strategic intent into a common purpose.

Additionally, employees are more receptive to changes when they understand the need for change and are actively involved in the process, i.e. when they are ready for any change (Armenakis & Bedeian, 1999). Thus, interactive communication, empowerment and training serve as tools to increase acceptance and reduce resistance.

Furthermore, Floyd and Lane (2000) highlight the crucial role of middle level management, which connects strategic formulation with operational implementation, since through continuous reciprocal communication, middle managers interpret strategic vision into practical actions and ensure coherence between senior management and personnel.

Overall, clear strategic direction, strong leadership, active participation and organizational readiness should be combined and integrated naturally into the organizational operations to create the conditions for substantial strategic renewal.

The forms of organizational change mentioned above go beyond structural adjustments and influence day-to-day operations, where systematic process improvement becomes necessary. Within this context, the principles of the Lean management constitute a critical mechanism for business transition, as they connect the need for strategic change with effective operational practices. The following section presents how the Lean approach acts as a catalyst for translating organizational change into specific, measurable improvements.

2.4. Lean management

2.4.1. Concept, Principles and Tools

One of the most effective approaches that links strategic renewal with operational implementation is Lean Management, a tool that aims at continuous improvement, eliminating waste and creating value for the customer.

Between 1948 and 1975 (Ohno, 1988), Taiichi Ohno and Eiji Toyoda developed the Toyota Production System (TPS), which originated the concept of Lean management. TPS is a management system prioritizing the value stream and employee involvement in process improvement. According to Ohno (1988), organizations become more efficient when they identify and eliminate activities that do not add value.

In addition, according to Womack and Jones (1996), the fundamental principles of Lean management are five: (1) defining value from the customer's perspective, (2) value stream mapping, (3) creating flow, (4) establishing pull, and (5) pursuing perfection through continuous improvement. These principles form a management framework that allows organizations to redesign processes and restructure their operations for efficiency and transparency.

Furthermore, Lean management is based on a series of practical tools that act as mechanisms of change. Some of these tools are Kaizen, which was introduced by Imai (1986) and highlights the significance of small, continuous improvements in every level of the organization, the 5S model (5S – Sort, Set in order, Shine, Standardize, Sustain) to improve organization, cleanliness and efficiency in the workplace, the Just-in-Time model, according to which products are produced only when they are needed, reducing inventory levels and the Poka-Yoke model, which is used to prevent errors in production processes before they occur (Liker, 2004).

Overall, Lean Management acts as a base for business change and constitutes the intermediate step between the theoretical direction of change and measurable improvement in efficiency, transforming restructuring from a single event into an ongoing organizational process.

2.4.2. Lean-driven Transformation

Lean Management implementation, apart from improving processes, has a deeper effect in business transformation, since its tools are used to reorganize structures, roles and responsibilities leading to flexibility, simplification and collaboration (Rahardjo, Wang, Yeh, & Chen, 2023). In addition, Netland, Powell, and Hines (2020) argue that the relocation of decision making, and the empowerment of employees are key elements of this transition and thus Lean management acts as a restructuring mechanism reshaping management structure itself.

While Bhasin and Burcher (2006) point out that the successful implementation of Lean requires profound cultural change, with emphasis on teamwork and commitment of personnel, Liker (2004) argues that this structural change is accompanied by the establishment of a culture of efficiency and continuous learning.

Nevertheless, many initiatives fail when change is treated as a technical issue, without the related cultivation of participation and trust (Jouhri & Soulhi, 2020). Thus, to achieve a sustained cycle of organizational learning and efficiency, Lean integration needs the combination of structural simplicity and cultural adaptation.

Although the Lean Management approach highlights that operational efficiency and organizational restructuring are interdependent, to achieve a comprehensive business transformation, a broader theoretical framework is required that combines the strategic, organizational and financial dimensions of change.

However, research papers show that not all industrial contexts can benefit equally from the implementation of Lean principles. Achanga et al. (2006) argue in their paper that in SMEs, a lack of specialized knowledge, inadequate training and a lack of resources, often hinder the implementation of Lean and lessen its benefits. Furthermore, Bhamu and Sangwan (2014) raise concerns about Lean's application in industries with high-cost pressure, as the high initial investment required for process redesign and cultural development may outweigh the short-term efficiency gains in low-margin manufacturing environments.

While Lean management primarily focuses on waste reduction and improving operational performance, its impact goes beyond process-level improvements. Thus, Lean management foster a culture of continuous improvement, cross-functional cooperation, and disciplined

execution – elements that promote larger transformation efforts. As a result, Lean management often serves as the basis of comprehensive business transformation initiatives, supporting the alignment of strategy, operations, and organizational behaviors. The following section presents the main transformation frameworks that incorporate these elements into structured models of large-scale organizational change.

2.5. Business transformation

2.5.1. Definition and Significance

Business transformation is a complex, broad and systematic process of renewal, through which an organization redefines its strategy, structure, operations and organizational culture, in order to enhance its competitiveness and ensure its sustainability (Burnes, 2017). In addition, business transformation involves radical and organized changes that affect the entire organization. This is also the main difference with organizational change, which is expressed in gradual or small interventions (Hammer & Champy, 1993).

Thus, business transformation is a continuous process of strategic renewal, through which organizations develop dynamic capabilities to adapt in changing environments (Warner & Wäger, 2019). Furthermore, Westerman, Bonnet and McAfee (2014) argue that current business transformation includes digital transformation, where technology, leadership and culture are combined into a single renewal framework. Consequently, business transformation is a strategic restructuring of the way the organization created value, rather than a simple change.

2.5.2. Classic and Modern Frameworks

During the decades 1960-1980, the concept of business transformation referred mainly to organizational restructuring and improvements of processes (Hammer & Champy, 1993) and after 2000, its concept was expanded to include changes, such as digital transformation, organizational learning and cultural change (Westerman, Bonnet, & McAfee, 2014). Thus,

business transformation is differentiated into two main categories of approaches, according to classical and modern frameworks.

Starting with the classical frameworks, they focus on the structure, processes and gradual implementation of changes through specific and sequential steps, having as a basis that the organization proceeds with these changes due to external needs and completing them in a predictable manner (Burnes, 2017). Thus, some of the classical frameworks are the Lewin three-phase model (Burnes, 2017) and the McKinsey 7S Framework (Waterman, Peters, & Phillips, 1980) which were analyzed in previous section. Furthermore, a defining point and culmination of the classical frameworks is the Business Process Reengineering (BPR) framework, which seeks large, planned changes that are led by management and completed within a specific time frame (Hammer & Champy, 1993).

Additionally, transitional models that bridge the classical and contemporary frameworks of business transformation are Kotter's models (Kotter, 1995) and Hiatt's ADKAR (Awareness, Desire, Knowledge, Ability, Reinforcement) model (2006). The former, as mentioned previously, focuses on the systematic guidance of change through leadership, vision and communication, gradually introducing the concept of a culture of change (Kotter, 1995), while the latter emphasizes the empowerment, communication and participation of individuals in the transformation process (Hiatt, 2006).

Thus, since the beginning of the 21st century, with the rapid evolution of technologies, digitalization and the increasing uncertainty of markets, the need was created to develop modern frameworks that would consider transformation as continuous and capable of responding to changing conditions (Teece, 2007; Westerman, Bonnet, & McAfee, 2014).

One of the most important contemporary business transformation frameworks is the Digital Transformation Framework, which focuses on the strategic integration of technologies such as artificial intelligence, cloud computing and data analytics (Westerman, Bonnet, & McAfee, 2014). Two other contemporary frameworks are the Agile Transformation Framework, which draws on the Agile methodology and promotes flexibility, continuous learning and participatory decision-making, rejecting hierarchical forms of management (Rigby, Sutherland, & Noble, 2018), and the Lean Transformation Framework (Womack & Jones, 1996) which focuses on creating value through the elimination of waste and the optimization of workflows. Other models, such as the 4I Framework of Organizational Learning (Crossan, Lane, & White,

1999) and the Dynamic Capabilities Framework (Teece, Pisano, & Shuen, 1997) link business transformation to organizational learning and the ability to continuously adapt.

As it turns out, over the years there has been a shift in the concept of business transformation from a simple project with a beginning, middle and end, to a continuous organizational function that allows for the renewal of strategy and culture (Helfat & Peteraf, 2015). Finally, modern approaches emphasize, the development of business value through quantifiable results using financial indicators, such as EBITDA, Key Performance Indicators (KPIs) and return on investment (ROI), in addition to structure and functions (Creasey, 2023).

In conclusion, the transformation frameworks mentioned above demonstrate that organizational change is a process that yields measurable outcomes, and not just a structural or cultural change. For this reason, evaluating the effectiveness of transformation needs the analysis of financial and operational indicators that capture the impact of these changes. The next section therefore focuses on the financial dimension of transformation, examining the metrics through which value creation and performance improvements are evaluated.

2.6. Financial Dimension of Transformation

2.6.1. The role of financial performance in business transformation

Financial performance is one of the most important indicators of success in business transformation, as it reflects the ability of an organization to translate strategic change into measurable value. Thus, according to Burnes (2017), financial performance is another confirmation mechanism of the effectiveness of transformational initiatives, linking strategic renewal with sustainability, while according to Johnson et al. (2017), any organizational change becomes meaningful only when it is linked to strengthening competitiveness and increasing business value.

Additionally, in order to capture both short-term performance and long-term strategic improvements, business transformation is evaluated both through profitability and performance measurement of a combination of financial and non-financial indicators, such as innovation

and organizational learning (Kaplan & Norton, 1992; Kaplan & Norton, 1996). This perspective is reinforced by empirical studies (Bughin, LaBerge, & Mellbye, 2017; Deloitte, 2023), which confirm that companies which implement comprehensive transformation programs show significant improvement in EBITDA and ROI and productivity growth indicators.

Finally, the financial dimension should be the final stage of business transformation, where the strategy, processes and culture of the organization are unified in a common goal, which is the sustainable value creation (Warner & Wäger, 2019; Koller, Goedhart, & Wessels, 2010).

2.6.2. Key Performance Indicators

As previously mentioned, measuring the success of a business transformation requires a combination of financial and non-financial indicators, which measures both the return on investment and organizational improvement. Below, some of the main performance indicators will be presented.

In the study of Kaplan and Norton (1996), the Balanced Scorecard is proposed, a framework for aligning strategic objectives with specific Key Performance Indicators (KPIs), which as they state, are indicators that may include improving productivity, reducing operating costs, customer satisfaction or increasing market share, with the aim of showing whether the transformation is delivering substantial results.

Thus, an important and one of the most widespread indicators for evaluating the financial performance of a transformation project is the Return on Investment (ROI). Measuring ROI provides the ability to quantify all the benefits resulting from the change in relation to the cost of its implementation. This indicator shows particularly whether there is a positive or negative net return on investment in new technologies, processes or culture, contributing to long-term sustainability (Creasey, 2023).

Another important KPI is EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), which is used to evaluate operational performance after the completion of a transformation. In various research is shown that companies that implemented successful transformation initiatives recorded an EBITDA increase of 20–30% (Bughin, LaBerge, & Mellbye, 2017; Abuizz, Abu Hantash, Al-Musa, & Karam, 2018).

Finally, the analysis of KPIs should be accompanied by a qualitative assessment of organizational culture, so that financial results are sustainable (Deloitte, 2023).

2.6.3. Business Valuation and Value Creation

Business valuation in the context of a transformation concerns the assessment of the overall ability of the business to generate future cash flows. Considering that the value of a business is based on the combination of improving operating results, reducing risk and strengthening future growth prospects, the degree of success of a business transformation indirectly affects, through these three elements, the value of the business (Damodaran, 2012).

In this context, indicators such as EBITDA, ROI and critical KPIs, function not only as performance measures, but also as inputs to the valuation process. Thus, an increase in EBITDA indicates an increase in operating profitability, an improvement in ROI indicates that investments are generating value in the reform, while progress in KPIs reveals the sustainability of operating profits. Thus, these changes affect two significant factors in the valuation process, which are future cash flows and the cost of capital (Koller, Goedhart, & Wessels, 2010).

Furthermore, organizations that implement successful transformational interventions often improve their structural flexibility, reduce operational burdens, and enhance their competitive profile. These improvements, in addition to be reflected in immediate financial results, have a positive impact on the long-term company's valuation and its ability to attract investment or finance future growth (Bughin, LaBerge, & Mellbye, 2017).

2.7. Concluding Remarks and Industry Reflection

This chapter points out that business transformation is a multidimensional process that, apart from strategic renewal, includes also organizational, operational and cultural changes. Thus, despite the differences in theoretical approaches, the findings from literature converge on the importance of aligning strategy, processes and human capabilities as a prerequisite for sustainable change. Furthermore, it is highlighted that the success of a transformation is not only confirmed by qualitative characteristics, but also by its financial impact, which functions as a final indication of value creation.

This theoretical background is important for the analysis of the business environment in which the study under consideration is part. The next chapter examines the secondary packaging industry by presenting the structure, trends and competitive environment of the industry, in order to connect the theoretical concepts of transformation with the real dynamics of the specific industrial environment.

The theories presented in Chapter 2 are especially significant for sectors with high operational intensity, narrow profit margins and continuous performance requirements. The secondary packaging industry is one such environment, where organizations need to balance strategic renewal between continuous process optimization, cultural alignment and financial discipline. Furthermore, because of the industry's emphasis on efficiency-based operations and the rising need for innovation in materials, sustainability and automation, the relationship between strategic change, Lean principles, and business transformation is thought to be especially significant. In order, therefore, to provide the framework for this change, the following chapter will analyze the characteristics, competitive dynamics, and market trends of the secondary packaging industry via the comprehension of these fundamental theoretical concepts.

3. Industry Context

3.1. Global packaging market overview and position of secondary packaging industry (2025–2030)

The global packaging market is a significant part of industrial production and international trade, covering procedures within all phases of the supply chain from production to the end consumer. As shown to a recent analysis (Mordor Intelligence™, 2025a), the global packaging market size (Figure 3.1) is estimated at 1,18 trillion USD in 2025 and is expected to reach roughly 1,39 trillion USD by 2030, with a Compound Annual Growth Rate (CAGR), of 3,46% for the period 2025–2030. These numbers reflect a mature but dynamic industry, which is adapting to new demands for sustainability, regulatory compliance and digital transformation.



Figure 3.1 Packaging Market Size 2025-2030

Source: (Mordor Intelligence™, 2025a)

Within this wider market, secondary packaging is an integral part, as it constitutes a critical part of the global supply chain and includes products and equipment used to group, reinforce and protect loads during transport and storage. Although the cost of secondary packaging corresponds to a small percentage of the total production cost, its operational importance is

disproportionately large, as any failure in the end-of-line process can lead to product damage, delays, production interruptions and increased logistics costs.

In the post-pandemic period, 2020 – 2025, the importance of secondary packaging has been further strengthened, as the rise of e-commerce has created new requirements for the safe transport of cargo. In addition, international supply chains have changed structurally, businesses have re-examined their costs and sought more lean-operating models, and environmental compliance has gained strategic importance. Thus, because of the previous period, the years 2025 – 2030 shape an environment in which secondary packaging is influenced by three main categories of factors, which are presented below.

The overall increase in international trade and flow of goods constitutes the first category of factors. UNCTAD (2024) estimates that global trade in goods and services reached a historic high of approximately 33 trillion USD in 2024, with the prospect of continued growth, even at a more moderate pace, in the coming years, as the increase in traded volumes directly boosts the demand for reliable secondary packaging, particularly in sectors with high logistics intensity.

The second category is the increasing regulation and pressure for sustainable packaging, especially in Europe. The Packaging and Packaging Waste Regulation's (PPWR) new requirements for packaging's reduction, reuse and recyclability throughout its entire life cycle, affect directly secondary packaging materials (such as the promotion of recycled PET, thinner films, high-strength paper and bio-based materials) and force companies to redesign their products and processes (European Commission, 2025; Scheuchzer, 2024).

The third category of factors is the fact that the sustainable packaging market is growing faster than the overall market. According to an analysis by Mordor Intelligence™, the sustainable packaging market (Figure 3.2) is estimated to be worth roughly 303,8 billion USD in 2025 and is expected to reach 433,5 billion USD by 2030, with a CAGR of approximately 7,4%, almost double the overall packaging market growth rate (Mordor Intelligence™, 2025b). In other words, the secondary packaging solutions that combine reduction, recyclability and a reduced carbon footprint will become increasingly important for industrial customers by 2030.

In conclusion, the global packaging market is expected to grow steadily yet diversely through 2030, and the secondary packaging industry will emerge as a strategic link between production and logistics. Companies operating in secondary packaging solutions undergo pressure to

invest in more efficient, automated and environmentally responsible systems due to the framework created by increased international trade, tighter regulations, and the strong momentum of sustainable packaging.

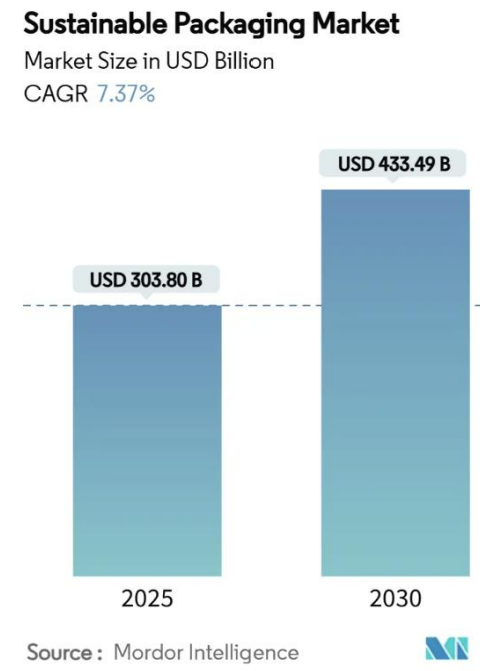


Figure 3.2 Sustainable Packaging Market Size 2025-2030

Source: (Mordor Intelligence™, 2025b)

3.2. Secondary packaging industry structure

As previously mentioned, secondary packaging serves as a strategic link between primary packaging and supply chain by grouping, stabilizing and preparing goods for safe transport and storage. In addition, secondary packaging focuses on functionality, efficiency and maintaining the integrity of loads during transportation, opposite to primary packaging, which is associated with product protection, information and marketing purposes. The development and modernization of secondary packaging, therefore, are strongly linked to the needs of contemporary industrial and commercial processes, as evidenced by the more comprehensive analysis of the worldwide packaging market, which is expected to rise significantly by 2030 (Mordor Intelligence™, 2025a).

Thus, this market can be distinguished into two large and interconnected categories, which are consumables and end-of-line mechanical equipment. The consumables category includes strapping tapes (PET, PP and steel), stretch and shrink film, protective elements such as edge protectors, as well as various reinforcing materials and although they are often treated as low-differentiation products, their technological evolution is evident. The trend towards thinner, high-strength films and the increasing use of recycled and bio-based polymers reflect the broader pressure for sustainable packaging solutions, as confirmed by the data of European Bioplastics (2025), which shows that the production of bioplastics and materials with a lower environmental footprint is steadily increasing (Figure 3.3). At the same time, the quality of these materials significantly affects the performance of loads and the stability of logistics, which leads many companies to invest in high-performance consumables that reduce damage and ensure consistency.

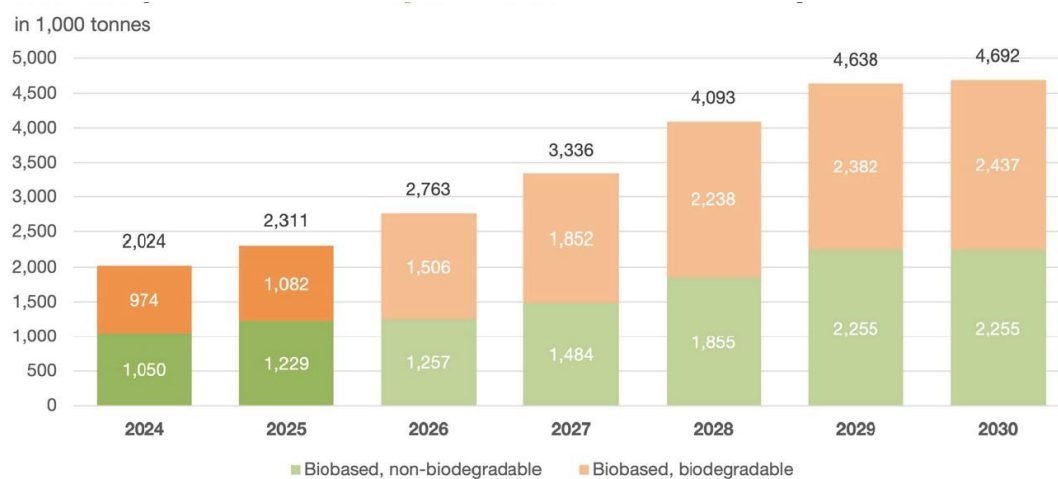


Figure 3.3 Global Production capacities of biobased plastics 2025-2030

Source: (European Bioplastics, 2025)

The second category is the equipment, which includes automatic and semi-automatic strapping, stretch-wrapping, shrink applications, as well as palletizing and conveying systems. The adoption of automation technologies in end-of-line and packaging operations is closely linked to improvements in productivity, operational efficiency, and material utilization, especially in Industry 4.0 environments. Empirical studies show that data-driven production systems and automated packaging processes contribute to waste reduction, material efficiency improvement, and operational performance enhancement across all industrial production

systems (Kamble, Gunasekaran, & Gawankarc, 2020). As a result, technological differentiation in this category is greater compared to the other one, leading to a market where quality, reliability, and technical support play a critical role in purchasing decisions.

The structure of the secondary packaging industry can be further understood through the industry value chain, which starts with raw material suppliers (polymers, steel, paper), continues to processors producing the final consumables, followed by machine manufacturers, distributors and integrators and ends with industrial end-users. Thus, the market is characterized by high interdependence between materials and equipment, as well as by differentiation in the degree of technological complexity per stage. The functional importance of secondary packaging is further enhanced by the general shift towards sustainable and efficient supply chains. The demand for lightweight materials, energy-efficient equipment and systems that ensure the integrity of cargos makes this market of strategic importance for many industrial sectors.

Summarizing, consumables and end-of-line equipment interact closely within the wider supply chain, and the secondary packaging industry reveals an industry with strong functional and technological differentiation as reviewing its structure. Recognizing this structure is a key prerequisite for interpreting the variations observed in secondary packaging demand and applications. In the next section, the analysis shifts from the structural dimension of the market to the geographical distribution and key end-use sectors, in order to highlight how the needs and requirements of secondary packaging are shaped by region and industry sector.

3.3. Regional outlook and end-use market structure

Having examined the internal structure of the secondary packaging industry and the main product and equipment categories that constitute it, the analysis now turns to the geographical distribution and end-use sectors of the market, a shift that allows for an understanding of how secondary packaging requirements differ depending on the level of industrial maturity, the regulatory framework and the operational characteristics of each sector. This approach is crucial for capturing the demand conditions in the sector and for interpreting the differences observed at both the geographical market and application level.

Starting from the geographical distribution perspective, the secondary packaging industry is constituted by differentiated dynamics between developed and emerging economies. In mature markets, such as Europe and North America, it is the need for efficiency, automation and regulatory compliance that drives the demand and not the volume growth. In particular, automation and increased productivity, especially in large scale industries, are of significance in North America, while in Europe the choice of packaging materials and systems is affected by the environment regulations applied to the continent, leading to the need for solutions with a lower environmental footprint (European Commission, 2025).

On the other hand, APAC markets, which are characterized by a combination of non-automated and automated solutions, with a gradual shift to more modern end-of-line systems, are exhibiting greater growth in volume terms, because of industrial expansion, increased consumer goods production and increased exports. Therefore, the demand for reliable secondary packaging has increased, mainly because of developing economies' influence in global trade flows, especially in long-distance transportation (UNCTAD, 2024).

In addition to the geographical dimension, industrial application is another significant factor in the differentiation of demand. Thus, while the food and beverage industry prioritizes stability, hygiene and process consistency, which leads to an increase of stretch and shrink use in combination with automated wrapping systems, industries like metal and construction require high-strength solutions, such as strapping and palletizing systems that ensure stability of heavy loads.

Furthermore, the logistics and storage sector is another significant user of secondary packaging, as the safe of pallets and any kind of parcels is a key requirement for the smooth operation of supply chains, as the increasing complexity of logistics enhances the demand for solutions that combine high-performance materials with equipment that reduces handling time and errors (Kamble, Gunasekaran, & Gawankarc, 2020). At the same time, sectors such as consumer goods and the paper and wood industry present increased needs for flexible and adaptable solutions, due to the variety of products and packaging.

Overall, the geographic and sectoral differentiation of the secondary packaging industry highlights that there is a lack of an overall approach and the requirements are determined by a combination of regulatory framework, level of industry maturity and characteristics of each

end-use sector. Understanding these differentiations is critical for assessing the competitive structure of the industry, which is examined in the next subsection.

3.4. Competitive landscape and key challenges

The analysis of the geographical and sectoral dimension of secondary packaging highlights an environment where competition is shaped by a combination of structural characteristics, technological developments and cost pressures, with the result that the sector is characterized by heterogeneity in terms of the level of differentiation, as markets with strong commoditization characteristics coexist with segments where technology and integrated solutions create clear competitive advantages.

In secondary packaging consumables, such as films, strapping tapes and protective elements, which are materials with limited differentiation, competition is largely based on price, which intensifies the pressure on profit margins and strengthens the bargaining power of large industrial customers. This is also confirmed by Porter's (1997) theory of competitive forces, according to which high product substitution and low differentiation lead to intense competition between existing players. Thus, in this context, many companies seek to differentiate themselves through quality, reliability of supply or technical support, without however always being able to avoid intense price competition.

However, in the end-of-line machinery industry, technology, customization, automation integration, and after-sales services play a major role in differentiation. Companies in this sector compete not only on prices, but also on value of the entire solution, since customers evaluate equipment according to its overall cost of ownership and productivity contribution.

In addition, fluctuations in raw material prices, such as polymers and steel, which have a direct impact on production costs and long-term planning, create significant cost and supply challenges to secondary packaging sector. The recent instability of supply chain globally highlighted industry's vulnerability to external factors, underscoring the importance of supplier diversity and flexibility from company side (UNCTAD, 2024).

Complying with sustainability goals and regulatory frameworks is another crucial issue since more strict standards for recyclability, material reduction, and the utilization of recycled

content necessitate investments in R&D and product redesign, increasing, however, operational and investment costs, especially for smaller market players (European Commission, 2025).

Summarizing, intense competition in consumables, greater differentiation in equipment, and a set of external pressures related to cost, technology, and regulation shape the competitiveness of the secondary packaging industry, which should go beyond price competition and focus on creating long-term value, through balancing efficiency and innovation. Understanding this competitive reality is the final analytical step before the overall assessment of the industry, which is presented in the next and final subsection of the chapter.

3.5. Overall assessment of the secondary packaging industry

The preceding analysis of the secondary packaging industry has highlighted an industrial environment with a high degree of complexity and strong strategic importance for the smooth functioning of modern supply chains. Although secondary packaging is often viewed as a low-value-added support activity, the findings of this chapter demonstrate that its role goes far beyond this narrow perception. On the contrary, it is a critical mechanism for ensuring load stability, operational continuity and logistics efficiency.

The global picture of the packaging market and the position of secondary packaging within it have shown that the industry is evolving in close connection with macroeconomic and regulatory changes. The growth of international trade, the increasing complexity of supply networks and the pressures for sustainable practices create an environment in which the requirements for secondary packaging solutions are becoming increasingly demanding. At the same time, the structural analysis of the market highlighted the clear distinction between consumables and end-of-line equipment, with a different competitive logic and degree of differentiation in each category.

The examination of the geographical dimension and end-use sectors showed that the demand for secondary packaging is not homogeneous, but it is shaped by the level of industrial maturity, the regulatory framework and the operational characteristics of each sector. These differentiations reinforce the need for customized solutions and limit the possibility of implementing uniform strategies at a global level.

Finally, the analysis of the competitive structure revealed an industry where coexist intense cost pressures, limited differentiation in certain market segments and increasing technological and regulatory compliance requirements. Companies are called upon to move from price competition to strategies that focus on total value, reliability and long-term cooperation with their customers. In this context, secondary packaging emerges as an area of strategic choices and not simply as an operational cost.

Overall, Chapter 3 provides the necessary framework for understanding the industry within which the operational and strategic dimensions of the case study will be examined. The above characteristics of the industry explain why secondary packaging companies are increasingly called upon to adopt structured business transformation initiatives, which combine strategic renewal, organizational restructuring and operational efficiency. The next chapter shifts to the analysis of the company under study, with the aim of capturing its key characteristics, its internal strengths and weaknesses, as well as the main challenges and opportunities it faces in the specific industry environment.

4. Company Analysis

4.1. Introduction

This chapter focuses on the analysis of the company under consideration, within the framework of an anonymized case study in the secondary packaging sector, and its purpose is to systematically capture the current operational reality of the company, highlighting the key characteristics of its business model, the structure of its activities and the way in which it operates in the modern environment.

The analysis that follows is based on data and information that have been provided by the company exclusively for this dissertation and for research purposes only and concern its current way of organization and operation. This data is utilized with an analytical and synthetic approach, with the aim not of describing individual actions or results, but of understanding the structural and operational parameters that shape its overall picture.

Through a systematic examination of the company's current situation, this chapter seeks to document why current organizational and operational choices are no longer sufficient to effectively support the increased demands of the industry, and constitutes the link between the analysis of the industry environment and the development of the proposed business transformation framework. This creates the necessary foundation for the development, in the next chapter, of a structured and integrated framework for strategic and business renewal.

4.2. Profile and Position of the Company in the Market

The company under this study operates in the secondary packaging industry, providing solutions that are mainly addressed to industrial customers and businesses with increased requirements in terms of safety, reliability and efficiency of packaging during transport and storage phase. Its business profile is part of the B2B industrial solutions sector, with an emphasis on the operational support of its customers' production and logistics activities.

The company's position in the secondary packaging value chain is characterized by the ability to provide a wide range of products and services, which includes packaging materials, end-of-line equipment and, in some cases, integrated solutions that combine products, technical support and maintenance services, allowing the company to cover different levels of its customers' needs, from basic applications to more complex and personalized requirements.

In terms of operation location, the company serves in multiple markets, mainly European and some international, at various levels of industrial maturity and with various operational characteristics. As it has to adjust to various demand situations, regulatory frameworks, and levels of technological maturity, its presence in multiple markets expands the scope of its operations while in the same time making its business model more difficult.

Its customer base consists mainly of companies operating in sectors with intense production and movement activity, such as the consumer goods industry, logistics and manufacturing. These customers place particular emphasis on consistency of quality, reduction of overall packaging costs and the availability of reliable technical support. Thus, the relationship between the company and its customers is expanding beyond the sale of products, to long-term business relationships and support of its critical business functions.

The company's position in the market is therefore shaped by a combination of technical expertise, range of solutions offered and ability to serve complex requirements. At the same time, its exposure to highly competitive environments and markets with increased cost pressure limits the scope for flexibility and makes it crucial to continuously optimize its operating methods. These characteristics constitute a key starting point for further analysis of its business model and organizational structure.

4.3. Business model and Structure of activities

The business model of the company of this case study is based on the combined management of multiple operational activities, which are called upon to support a diversified portfolio of products and services. The operation of the company is organized around key axes such as sales, supply chain, operational functions and technical support, which are closely interconnected and require a high level of coordination.

A key feature of the existing business model is the need to manage a large volume of daily transactions, orders and technical interventions, often in different business environments. Serving customers with different requirements in terms of standardization, speed and level of technical support significantly increases operational complexity and limits the scope for simplification of processes.

At the same time, the operating model has been gradually shaped, responding to the needs of individual markets and customer categories, leading to the coexistence of different practices, workflows and levels of standardization, which makes it difficult to operate homogeneously and achieve economies of scale. This complexity is reflected both in the management of operations and in the coordination between the departments involved.

As a result, the existing business model presents increased requirements in terms of internal coordination and control, while its efficiency is affected by the difficulty of unifying processes and practices. These characteristics do not negate the functionality of the model, but they highlight limitations that become more important in an industry environment of increased cost, speed and flexibility pressures.

The analysis of the business model, as presented, provides the necessary background for examining the organizational and functional structure of the company, which is analyzed in the next section.

4.4. Organizational and Functional Structure

The organizational structure of the company has been gradually shaped, as a result of the development of its activities in different markets and the expansion of its products and services portfolio. Its structure is based on individual functional units, such as sales, operational functions, supply chain and technical support, which are called upon to collaborate to serve complex and diversified customer needs.

Furthermore, at functional level, there is a distribution of roles and responsibilities that reflects the company's operational priorities; however, this development has not always been accompanied by a corresponding degree of processes standardization and clarity in decision making. As a result, coordination between individual functions is largely based on informal

practices and personal experience, which enhances flexibility in the short term, but at the same time increases dependence on individuals and limits transparency.

The functional structure also presents increased complexity, mainly in environments where the company is called upon to serve different types of customers with different requirements. Workflows between sales, supply chain and technical support are not always fully integrated, resulting in overlapping responsibilities, delays in decision making and difficulties in the homogeneous implementation of procedures, burdening overall operational efficiency and increasing the requirements for internal coordination.

Additionally, the dispersion of operations geographically with the existence of multiple divisions makes corporate governance considerably more challenging. Differentiating techniques and approaches due to the need to adjust to local conditions and markets makes it challenging to create a cohesive organizational logic and systematically monitor the performance at the group and/or organizational level.

In summary, although the company's organizational and functional structure generally allows it to serve a demanding and diverse business environment, it includes elements that limit efficiency and add complexity. The absence of fully harmonized processes and clear coordination mechanisms makes it more difficult to effectively align strategic goals and daily operations. These elements constitute a critical reference point for assessing the current situation and contribute to understanding the reasons why a more structured approach to business transformation is required.

4.5. Current state assessment

The analysis of the current state of the company complements the organizational and functional analysis of the previous sections though a concise financial overview prior to any restructuring. Therefore, this section focuses on capturing the impact that the existing business model has on overall efficiency and the ability to control performance, which necessitates a more structured transformation approach.

Thus, in terms of turnover, the company shows strong volatility and a significant decline these last recent years, with revenues decreasing from approximately 358,2 million € to 331,32

million € and then to 216,78 million € (at Group level). This fact has direct impact on the operating leverage of the company, as in periods of recession the absorption of fixed costs becomes more difficult and profitability is disproportionately pressured.

These findings are reinforced by observed margins, as the Gross margin declines from 25,21% to 23,11% and remains approximately at the same levels (23,21%) thereafter, indicating that the company operates under pressure and limited ability to recover margins only through pricing. At the same time, even when there are reductions in individual expenses lines (e.g. transportation), the overall result shows that cost smoothing is not sufficient on its own to offset the impact of volumes or/and sales decline.

The most critical element of the initial financial state is the evolution of operating profitability, as EBITDA goes from a positive level of 6,81 million € to a negative one of (2,04) million € and then worsens ((9,96) million €). Accordingly, Operating EBITDA follows a downward trend from 18,90 million € to 12,94 million € and finally to a negative level of (3,4) million €. In addition, the financial pressure is intensified by the level of leverage, as the total banking exposure appears to be high enough (around 240 million €), which increases the company's sensitivity to interest rate changes, liquidity constraints and debt service requirements. Thus, these data do not simply reflect a “bad year”, but indicate also that, under conditions of demand and price pressure, the existing business model is struggling to maintain stable operating profitability and generate sufficient cash flows.

Furthermore, the working capital dimension is an additional source of pressure, as the level of inventory in days appears high (around 115 days as a starting point), which binds liquidity and increases sensitivity to demand fluctuations. If sales fluctuations are combined, working capital management becomes crucial for the stability of business model.

It should be noted that the financial data of the reference period, i.e. the year 2025, incorporates assumptions and partially realized data, which limits their use to a level of absolute accuracy, without however negating their diagnostic value. A summary of the key income statement figures of the company, before any intervention, is provided in Appendix A.

Therefore, as can be seen by the initial financial state of the company, despite its broad range of activities and ability to serve demanding customers, it operated under conditions of intense profitability and liquidity pressure. The issue, then, is not limited to isolated dysfunctions, but concerns the overall resilience and controllability of the operating model. The above

assessment creates the necessary background for capturing the basic limitations of the existing model and highlighting the necessity of an overall approach to change, which is presented in the next section.

4.6. From Operational Constraints to Transformation Imperative

The analysis of the current situation highlights the fact that the issues the company faces cannot be addressed through isolated corrective actions or unsystematic interventions, as the existing operating model exhibits structural limitations, which affect simultaneously the strategic direction, organizational effectiveness and financial resilience of the business.

The lack of clear alignment between strategic priorities and operational organization limits the ability to effectively implement changes, while even targeted improvement initiatives tend to lose their dynamic, as they are not supported by a single decision making and coordination framework. In addition, the limited flexibility of the existing model reduces the ability of the company to adapt in a timely manner to changes of external environment and thus, under these circumstances, operational improvements do not necessarily translate into sustainable performance enhancement, while financial pressures intensify the risk of inertia or delayed reactions.

Consequently, the need for change does not concern the simple optimization of individual processes but reshaping the overall framework within which the company plans, organizes and evaluates its operations. This finding necessitates the adoption of a coherent and comprehensive transformation framework, which is presented in the next chapter.

5. Proposed Transformation Framework

5.1. Purpose and design principles

In the previous section, the current state of the company was analyzed and the need for change became apparent, which does not simply concern individual corrective interventions, but a total redesign of its operating model. Consequently, transformation is approached as a process of restructuring the way in which core functions are organized, activities are coordinated and performance is controlled at group level, with the aim of creating a more coherent and effective operating framework, which allows the company to exploit its capabilities with greater coherence and efficiency. In this context, the transformation plan is based on certain fundamental principles that are presented below.

To reduce organizational complexity and improve decision-making transparency, the first fundamental principle refers to the operational integration of activities, which aims to improve coordination between individual units and take advantage of group synergies. Regarding the second principle, it is related to cost flexibility structure, by raising the variable element of expenses. This approach allows better adaptation to demand changes and reduces the pressure caused by the existence of high fixed operating costs. The third principle focuses on enhancing managerial control and accountability, through the development of organizational performance monitoring systems and a more transparent distribution of responsibilities. At the same time, particular importance is given to the scalability of the operating model, so that the company can support future growth without significant increase in organizational complexity, while finally, the alignment of strategy and operations is promoted, so that the organizational structure supports the strategic direction of the business.

The above principles constitute the framework within which the proposed transformation model is formed and guide the individual interventions presented in the following sections.

5.2. Strategic Repositioning

The strategic repositioning of the company is a key element of the proposed transformation and concerns the reshaping of its commercial and competitive direction. The aim is, on the one hand, to restore the commercial momentum that has been affected in previous years and, on the other hand, to shape a more stable and sustainable position in the secondary packaging sector at European and international level.

In this context, particular importance is given to the exploitation of the company's existing capabilities. The company has an extensive portfolio of products and solutions, a significant international presence and partnerships with large industrial customers. The exploitation of these elements is therefore considered crucial for strengthening commercial activity and recovering market shares, especially in customer segments where the company has already developed significant expertise.

At the same time, the strategic repositioning is based on the gradual enhancement of the value offered to customers through the provision of integrated packaging solutions. The company is able to combine packaging materials, end-of-line equipment and technical support, creating a comprehensive service system for its industrial customers. This approach contributes to the company's differentiation in an industry where many products are characterized by limited differentiation and intense price competition.

In addition, the strategy emphasizes strengthening cooperation with large international customers, as well as exploiting growth opportunities in markets with higher rates of industrial activity, thus seeking to strengthen its international presence and create a more balanced portfolio of markets and customers.

Overall, the strategic repositioning aims to create a stronger commercial orientation, which is based both on the exploitation of the company's existing capabilities and on the development of long-term cooperative relationships with its customers.

5.3. Operational Restructuring

Operational restructuring is the core of transformation and concerns the radical restructuring of the way in which the core activities of the business are organized and executed. In contrast

to the previous structure, which was based on a decentralized and primarily site-based operating model, the new model introduces a more centralized and functionally integrated approach.

The transition to a functional organizational structure, where the core business functions (production, procurement, logistics, sales and support services) are organized and coordinated at group level, constitutes a key element of the restructuring. Thus, improved control, reduced overlaps and the exploitation of economies of scale can be achieved.

In this context, a system of geographical clusters and coordination nodes is proposed, through which the activities of individual subsidiaries are reorganized. Some countries assume a coordination role for neighboring markets, centralizing critical functions, such as customer service. At the same time, it is proposed several subsidiaries to be transformed into simple commercial offices, with a limited operational role, while key functions, such as finance, IT and payroll, are planned to be assigned to central or external providers.

In addition, concentrating and restructuring production activities, as another aspect of redesign, aim to reduce operating costs and improve efficiency. Indicatively, the consolidation of production units, the transfer of activities between facilities and the rearrangement of production capacity are organized, in order to achieve better utilization of resources.

Particular emphasis is also given to redesigning the supply chain, through the implementation of a new European logistics model, which implies the creation of central and regional warehousing infrastructure, the optimization of transportation and the standardization of basic products, with the aim of reducing costs and improving service.

In conclusion, operational restructuring aims to create a more centralized, effective and coordinated operating model, that supports the implementation of the strategy and improves the overall performance of the company.

5.4. Commercial System Restructuring

Commercial system restructuring is a crucial element of the proposed transformation, as it connects the strategic direction of the company with its daily commercial operation. In this context, it is proposed the transition of the company from a fragmented sales model to a more

coordinated and systematized commercial system, with the aim of improving efficiency and quality of customer service.

A central element of the change is the strengthening of the direct relationship with end customers, especially in strategic accounts, thus seeking to strengthen its presence in large industrial customers, leveraging its ability to offer integrated solutions that combine products, equipment and services. This approach differentiates itself from the traditional dependence on distribution networks and allows greater control over commercial policy and profit margins.

At the same time, it is proposed to reorganize the commercial system with the aim of improving the management of customer and distribution channels. Customers will be approached in a more targeted manner, depending on their size, industry and strategic importance. Thus, the use of central service structures is being strengthened for smaller customers, while larger accounts will be served through more specialized and direct commercial relationships.

Additionally, in order to increase profitability, special attention is given to improving the customer and product mix. The company aims to focus on products that offer higher added value and on customer groups that offer higher growth and margin potential.

Lastly, the operational restructuring described above supports the new commercial system, since it makes it possible to handle commercial activities at the group level more consistently and effectively by concentrating activities like customer service.

The overall goal of the planned commercial system restructure is to develop a more coordinated, customer-oriented and efficient sales model, which enhances the company's ability to implement its strategic direction.

5.5. Transformation Governance and Implementation

For the proposed transformation to be implemented successfully, a clear implementation plan and a cohesive governance framework must be developed. This will ensure that individual initiatives are coordinated and that the intended outcomes are achieved on time. In this context, the transformation is not treated as an isolated action, but as a structured process that evolves in distinct phases.

The implementation is planned to be carried out gradually, with an emphasis on achieving immediate results in the initial stages, which act as a catalyst for the continuation of subsequent actions. This approach allows the strengthening of the dynamics of the transformation, as well as the gradual adaptation of the company to the new operating model.

At the same time, importance is given to the clear definition of roles and responsibilities at group level, in order to ensure effective monitoring of progress and accountability for the achievement of objectives. Thus, in order to manage the complexity resulting from simultaneous execution of many procedures, central coordination mechanisms are considered to be essential.

In addition, the implementation of the transformation is supported by the development of performance monitoring mechanisms, through which the progress of individual actions is assessed and possible deviations are identified in a timely manner. Systematic monitoring allows for the taking of corrective measures and the adaptation of the plan, where necessary.

Lastly, an important role has the support of the transformation by appropriate infrastructures and systems, which facilitate the coordination of functions and the exchange of information at group level.

As a conclusion, the proposed governance and implementation framework aims to ensure consistency, control and efficiency during the transformation process.

5.6. Expected Impact of the Transformation

After analyzing the proposed transformation framework previously, it is appropriate to examine the impacts that are expected to arise on the operation and overall performance of the business. Thus, initially it is expected that the proposed transformation will significantly alter the way the company operates and performs, affecting both the structure and the dynamics of the organization and eventually the entire business system.

At the operational level, improving integration and coordination across various units is expected to lead to a decrease in organizational complexity and an increase in the efficiency of processes. Additionally, it is anticipated that overlaps will be reduced and decision-making consistency will be improved through centralization of operations and the use of synergies.

At the same time, the reorganization of the cost structure through an increase in the variable element is expected to improve the company's flexibility and capacity to adapt to shifts in market conditions and demand, creating the conditions for a more efficient use of resources.

At commercial level, strengthening the direct relationship with customers and focusing on higher value-added products and solutions is expected to contribute to improving the quality of revenues and strengthening the competitive position of the company.

Overall, the transformation is expected to create a more coherent, flexible and efficient operating model, which will support the gradual improvement of performance. These impacts are also expected to be reflected in the financial figures of the company, which are analyzed in the next chapter.

6. Financial Perspective

6.1. Financial Framework

The previous chapter presented the proposed transformation framework, describing the necessary strategic, operational and commercial initiatives to renew the company's business model. However, a transformation framework acquires full analytical content only when its consequences are examined through a financial lens, since, as discussed in Chapter 2, the financial dimension is the ultimate mechanism for confirming the effectiveness of transformational initiatives (Burnes, 2017).

The financial projections presented cover the period 2025–2029 and are prepared on a consolidated basis, reflecting the overall picture of the Group. This specific time period is chosen to reflect both the adjustment phase after the recession and the gradual transition to conditions of stabilization and growth. In particular, 2025 acts as a starting point, as it is the point in time at which the impacts of the recent multi-factor crisis in the secondary packaging sector are clearly reflected, which is linked to the post-pandemic normalization of demand, the increase in energy and raw material costs, inflationary pressures, as well as the inventory reduction process. The following years are expected to reflect the gradual recovery of demand, as well as the integration of the results of the transformation initiatives.

Thus, the formulation of the financial model is based on a set of assumptions that are directly linked to the operational and commercial strategy. On the revenue side, the projections incorporate the assumption of a gradual return of the market to “normal” demand levels, as well as the improvement of the sales mix through the reinforcement of higher value products and the development of direct relationships with customers. At the same time, the evolution of the cost of goods sold and operating expenses reflects the rationalization interventions included in the plan, such as the reorganization of the production base, the optimization of the supply chain and the concentration of support functions.

At the balance sheet level, the model captures changes in working capital, investment spending and the structure of assets and liabilities, in relation to operational choices. Emphasis is placed

on the management of working capital, as well as the gradual reduction of operating commitments, elements that are directly linked to improving liquidity.

Furthermore, cash flows capture the dynamics of the transition from a period of negative operating performance to a phase of positive cash flow generation, while debt restructuring is incorporated as a critical factor in ensuring financial sustainability. Overall, the financial framework of the business plan functions as a unifying mechanism, linking individual transformation initiatives to measurable financial results.

Based on the above, the analysis of the key assumptions of the financial model is a necessary next step for the development of a structured financial framework, which aims to quantify the expected impact of the transformation and to link it to the theoretical tools presented in Chapter 2. The analysis that follows is based on internal data and information provided by the company exclusively for the purposes of this dissertation and does not represent audited financial statements.

6.2. Key assumptions

The development of the financial model is based on a set of assumptions that reflect both the conditions of the industry and the strategic direction of the company, as reflected in the proposed transformation framework. Each projected result directly derives from specific estimates for the evolution of revenues, costs, investments and the financial structure.

The projections are developed on an annual basis and at the group level, covering the period 2025–2029, and follow a driver-based approach with bottom-up logic, where the individual figures result from the connection of operational parameters with financial results. In this context, the assumptions presented in the following subsections constitute the analytical background of the financial projections that follow in section 6.3.

6.2.1. Assumptions on Sales, Pricing and Cost of Goods Sold

Regarding revenue, sales predictions are based on the assumption of a gradual recovery in demand after 2025, with a return to more normal market levels from 2026 onwards. In addition,

revenue is a function of sales volume and price, where volume is affected by the general market trend, the gradual normalization of demand and the recovery of market share.

Regarding production capacity, production units are assumed to operate at their full capacity, without requiring additional investments in infrastructure to cover the expected increase in volumes during the projected period. The increase in production activity is assumed to lead to better absorption of fixed costs, while in cases where the requested volumes exceed production capacity, demand is assumed to be met through third-party commercial goods.

Regarding the pricing policy, a reduction in net prices is considered in the first year compared to the previous one, with the aim of recovering lost market shares. In addition, for basic consumable products, the pricing policy is proposed to maintain its link to the replacement cost of raw materials, so that any change in their prices is directly reflected in the pricing of the products. This approach reflects market's operation for basic products, where fluctuations in raw materials are passed on to final prices with a relative time lag. At the same time, an improvement in the sales mix is foreseen through the reinforcement of higher value-added products and the development of direct sales, which positively affects the quality of revenues.

Regarding Cost of Goods Sold, the estimate is based on historical unit costs for each element of production cost, while in addition the distinction between production and commercial activities is taken into account, allowing for a realistic representation of costs.

Thus, the above assumptions directly determine the evolution of revenues and gross margin presented in the income statement, while at the same time affecting the levels of receivables and inventories in the balance sheet.

6.2.2. Assumptions on Operating Expenses

The operating expense projections are structured around a set of targeted rationalization interventions, with the central objective of improving efficiency and creating a more flexible organizational structure. These interventions are proposed to be implemented gradually, with completion within the second year of the transformation framework and are organized around three main axes: the concentration of functions, the conversion of selected subsidiaries into commercial offices and the strengthening of shared services.

Having as a basic parameter of the design the differentiation of the approach per subsidiary, for those that do not undergo structural changes, it is proposed to focus exclusively on the

optimization of operating expenses, without interfering with their organizational model, while for those that are part of a structural restructuring, it is proposed to convert them into commercial offices. In the second case of subsidiaries, the assignment of support functions, such as accounting, payroll, tax compliance, will be assigned to external providers, while the management of central functions, such as customer service and procurement, is proposed to be done by the headquarters. In the same context, the consolidation of production units in selected areas is planned, with the closure of specific facilities and the transfer of production to existing units, as well as the restructuring of head offices towards a more efficient organizational structure.

A uniform inflation rate is also assumed across all markets, while storage and transportation costs are calculated based on the group's new supply chain strategy.

Overall, the impact of the above interventions is expected to be reflected primarily as a significant reduction in costs during the first years of the projection period, while thereafter, operating expenses are expected to follow a more moderate upward trend, in line with the growth of the activity. These assumptions directly affect the level of operating profitability (EBITDA), while they are also linked to the overall cost structure reflected in the balance sheet and cash flows.

6.2.3. Assumptions on Capital Expenditure and Working Capital

Regarding Capital Expenditures (CAPEX), the estimates are based on the needs identified by management for the transformation framework, with amounts ranging from the lowest levels at the beginning of the period to the highest towards the end.

Regarding Working Capital, an improvement is foreseen which is directly linked to the cessation of the production of consumable products in one of the production units, which is expected to release working capital of approximately 2 million euros during the first months of implementation. In addition, inventory days are expected to decrease significantly from the high levels of the initial period to lower levels within the second year of the framework, reflecting the improvement in supply chain management.

Based on the management's monthly cash flow model, it is estimated that the peak financing need during the transition phase of the transformation will be reached in June of the first year of implementation and will amount to €18,4 million, reflecting the temporary liquidity pressure

before the results of the proposed interventions begin to fully pay off. This amount is estimated to be fully repaid within nine months of reaching the peak exposure, i.e. by March of the second year.

These assumptions directly affect the formation of the balance sheet through changes in inventories and receivables, while they are fully reflected in cash flows through changes in working capital and investment outflows.

6.2.4. Assumptions on Debt and Financial Restructuring

One of the most critical issues that the company has to address in the context of the transformation is the high level of bank debt that has accumulated over the past years and which creates significant pressure on the company's liquidity and ability to finance its operations and investments.

The assumptions regarding the financial structure are based on the debt restructuring process, which includes the conversion of part of the debt into equity, as well as the restructuring of the remaining debt obligations. More specifically, the debt related to loans from the company's main creditors is assumed to be divided into two equal parts (50-50), of which one will be converted into equity and the other into a revolving credit facility.

This approach leads to a significant reduction in the leverage level and an improvement in the company's capital structure, while at the same time, the restructuring of debt directly affects the level of financial expenses, contributing to the gradual strengthening of net profitability.

Additionally, it is anticipated that a formal capital restructuring would occur in 2027, in which accumulated past losses will be absorbed through a decrease in share capital. Despite decreasing the nominal share capital, this accounting adjustment has no effect on the company's total equity position, as it eliminates the corresponding accumulated deficit, making the balance sheet clearer and more visible.

These assumptions are reflected both in the reduction of financial expenses in the income statement and in the change in the structure of liabilities and equity in the balance sheet.

6.3. Projected Financial Performance

Based on the assumptions developed in the previous section, this section presents the expected financial performance of the company during the transformation framework. The projected results are examined through the projected income statement, balance sheet and cash flows, with each one being directly linked to the assumptions that support it. The full figures of the projected financial statements are presented in Appendix B.

6.3.1. Projected Income Statement Analysis

The projected income statement converts the strategic and operational decisions of the proposed transformation framework into anticipated financial outcomes, representing at the same time the financial aspects of the assumptions made in the preceding section. In order to ensure consistency between operational logic and financial reporting, the projections are developed using a driver-based methodology, in which the key figures arise as a function of specific operational parameters.

Starting with revenues, the projections show that the company's commercial activity has recovered progressively as a result of the implementation of the proposed transformation framework. As shown in the Projected Income Statement, which is set out in Appendix B1, revenues are estimated to reach approximately €302 million in the first year of the framework, from €216,78 million in the previous year, reflecting a return to normal sales levels achieved before the crisis period. In the second year, revenues are estimated to increase further to approximately €335 million, while for the remainder of the framework period a Compound Annual Growth Rate (CAGR) of 7% is projected, which is estimated to lead revenues to €383 million by the end of the period. This growth is mainly based on the increase in market demand, combined with the recovery of lost market shares through the revised pricing and commercial policy described in the assumptions.

In addition, the gross margin is estimated to be increased and stabilized at 28,91% in the first year, from 23,21% in the previous year. This improvement is due to production volumes' recovery towards normal full capacity levels and the reduction in conversion costs, improving the absorption of fixed production costs. For the rest of the framework period, the gross margin is estimated to remain stable at the same levels, which suggests that the improvement is

structural and not temporary in nature, as it results from the structural changes proposed in the transformation framework.

Furthermore, the evolution of EBITDA is the most indicative indicator of the operational efficiency of the transformation, as it incorporates both the impact of the recovery in revenues and the improvement in the gross margin, as well as the impact of the reduction in operating expenses. Operating expenses declined substantially to €41,34 million in the first year, as a result of all the restructuring initiatives described in the OPEX assumptions, including the consolidation of operations and the conversion of subsidiaries into commercial offices. This reduction is not a proportional reflection of revenue changes, but rather the direct outcome of structural interventions in the organizational model.

As shown in Appendix B1, the Operational EBITDA is estimated to reach €33,4 million in the first year of the framework, a result that represents a substantial turnaround compared to the negative operational profitability of €(3.4) million that characterized the company prior the implementation of the transformation, as documented in Chapter 4. The EBITDA margin is estimated to be 11,07% in the first year and to continue its upward trajectory, reaching 12,93% towards the end of the framework. For the remaining period of the framework, EBITDA is estimated to continue its upward trend with a CAGR of 12,4%, reaching €49,6 million towards the end of the period, reflecting the gradual increase in revenues combined with the controlled rate of increase in operating expenses.

At the level of net results, the return to profitability from the first year of the framework reflects the cumulative effect of the operational improvements described above, further supported by the reduction in financing costs associated with the debt restructuring assumptions. Specifically, the net result is estimated to go from a loss of €(50,8) million before the transformation to a profit of €11,74 million in the first year, reaching €22,93 million towards the end of the transformation period. Therefore, the company's shift to positive net profitability throughout the course of the projected period is supported by both enhanced operating performance and reduced financial load.

Summarizing, the income statement analysis demonstrates that the recovery in demand, the improvement in cost structure and the enhancement of operational efficiency improve the financial performance of the company. A comprehensive understanding of the company's

overall financial position requires further examination of the structure of assets and liabilities, as reflected in the balance sheet that follows.

6.3.2. Projected Balance Sheet Analysis

The projected balance sheet reflects the expected evolution of the company's financial position during the implementation of the proposed transformation framework and acts as a complement to the analysis of the projected income statement. While the projected income statement presents the operating and financial performance expected to be generated during the period under review, the balance sheet reflects how the strategic and operational interventions of the plan are expected to affect the structure of assets, liabilities and equity.

As presented in Appendix B2, the company's total assets are projected to remain relatively stable during the projection period, despite the significant changes incorporated in the proposed transformation framework. This development suggests that the transformation is based on the optimization and more effective utilization of the already existing productive and operational base and not on an aggressive expansion of assets.

At the level of fixed assets, tangible assets show a gradual decrease during the projection period, from €116,22 million in 2025 to €81,83 million in 2029. This development is linked to the relationship between depreciation and investment activity, as the proposed transformation is mainly based on the utilization of existing production capacity and not on extensive new investments, an approach that is also consistent with the strategy of rationalization and utilization of the existing production base. In contrast, intangible assets are projected to remain at relatively stable levels during the projection period, which suggests that the proposed framework is based neither on significant impairments nor on a substantial expansion of intangible assets.

Regarding current assets, the development of receivables and inventory is directly linked to the assumptions presented in the previous section regarding sales growth and working capital management. Receivables are expected to increase after the first year of implementation of the transformation, mainly as a result of the recovery of commercial activity and the increase in revenues. However, this increase is kept under control in relation to the development of sales, which reflects the assumptions regarding the improvement of customer management and credit control procedures.

Moreover, the inventory exhibits various developments over the projection period. In the first years, inventory levels temporarily rise due to the gradual recovery of activity volumes, however, in the second year a decrease is anticipated, specifically to €49,19 million, as a result of the implementation of the new logistics strategy and the improvement of inventory circulation days, which are expected to be significantly reduced by 2027. This development increases working capital efficiency overall and reduces the need for liquidity commitments.

Furthermore, it is expected that cash will remain stable during the projected period, indicating that the transformation intends to maintain adequate liquidity to meet the company's financial and operational needs.

On the liabilities side, payables show a development corresponding to the course of the activity, gradually increasing as the company returns to higher operating levels. At the same time, other short-term and long-term liabilities remain relatively stable, reflecting the containment of non-operating charges.

The most important change is to the overall debt structure, which is directly affected by the financial restructuring assumptions. Thus, the amount of debt is estimated to drop from €258,31 million at the beginning of the framework to €133,91 million in the first year and finally reach €42,46 million towards the end of the projection period, a reduction of about 84% compared to initial position, as a result of the conversion of 50% of the restructured debt into equity. The gradual repayment of the outstanding loan obligations further contributes to the improvement of capital structure and the reduction of financial leverage.

The growth in equity also tells the broader story of what this financial restructuring has meant for the company and of its return to real profitability. At the start of the framework, equity stood at around €39 million. That figure jumped to €172 million in the first year, largely off the back of the debt-to-equity conversion, which gave the balance sheet an immediate and significant lift. From there, continued improvements in profitability are expected to push equity to €233,5 million by the end of the transformation, indicating that the company is gradually heading toward a more stable and long-term financial structure.

Summarizing, the balance sheet analysis shows that the proposed transformation framework seeks to gradually consolidate the company's financial position by reducing leverage, enhancing working capital management and improving the capital base in addition to increasing operating profitability. The overall assessment of the sustainability of the proposed

framework is complemented through the analysis of projected cash flows, which follows in the next section.

6.3.3. Projected Cash Flow Analysis

The analysis of the projected cash flow statement (Appendix B3) complements the picture emerging from the income statement and balance sheet, as profitability alone is not sufficient to assess the viability of a business model, if it is not accompanied by adequate cash flow generation. Thus, this analysis aims to assess the real potential of the proposed transformation framework to support the operational recovery and financial stabilization of the company.

Regarding cash flows from operating activities, it is estimated that in the first year of implementation they will amount to €7,92 million, reflecting the transition phase. As the proposed interventions gain full operational expression, operating cash flows are estimated to strengthen significantly in the second year, reaching €54,90 million. This improvement is attributed to the combined effect of the increase in EBITDA, the improvement in gross margin and the reduction in operating expenses, reinforced in parallel by the release of working capital through the improvement of inventory turnover days and the reorganization of the logistics operation. The temporary increase in receivables observed during years of strong sales recovery reflects the expansion of commercial activity, without reversing the overall improvement in liquidity.

Concerning cash flows from investing activities, as the company regains financial activity there is a gradual renewal of investment activity and as a result capital expenditures are estimated to range from €3,89 million in the first year to €8,76 million towards the end of the framework. This level remains moderate and consistent with the strategy of utilizing current production capacity and limiting extensive new investments, without creating excessive pressure on the liquidity of the group.

Regarding cash flows from financing activities, the most significant impact arises from the change in share capital in the first year, amounting to €121,24 million, as a result of the proposed conversion of a significant part of the debt into share capital, combined with the restructuring of the participating loans. During the transitional phase of the transformation, it is estimated that there will be a temporary need for additional financing, the level of which is analyzed in the assumptions in section 6.2.3, with full repayment expected by the first quarter

of the second year. At the same time, financial outflows decrease significantly after the first year, due to the de-escalation of borrowing and the reduction in financial expenses, which further enhances the possibility of generating positive net cash flows.

In summary, cash is estimated to remain stable at €7,78 million throughout the framework, indicating adequate liquidity management. The overall cash flow analysis demonstrates that the viability of the proposed transformation framework is not based solely on the accounting return to profitability, but mainly on the company's ability to gradually generate positive operating cash flows, limit external financing needs and keep its overall liquidity under control.

6.4. Evaluation based on Key Financial Ratios

In the previous section, the projected financial statements were presented, which are a necessary but not sufficient step for evaluating the effectiveness of the proposed transformation. According to Artikis (2025), financial ratio analysis enables the systematic examination of the connections between financial statement elements and the identification of trends that are difficult to determine from the absolute numbers. In this context, this section evaluates the projected performance of the transformation through six key indicators, organized into three categories: profitability, leverage and liquidity. All are calculated based on the projected financial statements and summarized in Appendix B4.

Regarding profitability, the improvement in margins presented in section 6.3 gains additional analytical weight when examined through the return on equity, which expresses the extent to which the company creates real value for its shareholders and not just operating profitability. The ratio is estimated to be 11,11% in the first year and to remain at stable positive levels of around 10% for the rest of the period. The fact that the ratio remains stable despite the significant increase in the equity base due to the debt-to-equity conversion confirms that the improvement in profitability is structural in nature and is not a product of financial engineering.

Regarding financial leverage, the debt-to-equity ratio is estimated to drop from 6,59x before the transformation to 0,78x within the first year and at the end of the transformation period, it will approach 0,18x, indicating a shift from overly financial dependence to a healthier capital structure. The interest coverage ratio, which measures the company's ability to service its financial obligations through operating profitability, is estimated that will go from non-

measurable levels before the transformation, due to negative EBIT, to 3,73x in the first year and 9,07x towards the end of the framework, confirming that the company is acquiring a strong and expanding capacity to service its remaining debt.

In terms of liquidity, it is anticipated the current ratio will be between 2,23x and 2,65x during the transformation period, indicating that the company has enough current assets to cover its short-term obligations, despite the short-term liquidity pressure that is expected during the transitional period.

Summarizing, the evolution of the six indicators composes a coherent and mutually reinforcing picture of the restoration of the company's financial health. The simultaneous creation of value for shareholders, the dramatic de-leverage and the maintenance of sufficient liquidity confirm that the proposed transformation is expected to deliver the expected results, creating the conditions for a sustainable and competitive business path.

6.5. Risk Assessment

The assessment of the financial perspective of the proposed transformation would not be complete without examining the risks that may affect the implementation of the projections. As Burnes (2017) points out, every transformation initiative involves uncertainties that can significantly deviate from the expected results if they are not systematically monitored and managed. Thus, six main categories of risks are identified that are deemed appropriate to be considered.

The first risk relates to possible market fluctuations, as the revenue model assumes a gradual recovery in demand, with any deviation taking place to affect directly sales volumes and operating outcomes. The second risk is related to the implementation timeline of the organizational changes, which require significant adjustments to the corporate culture and administrative structures. Any delay would have a negative impact on the anticipated results. The third risk related to fluctuations in raw material prices, which could put pressure on profit margins when competitive forces prevent costs from being transferred to final pricing. This risk is further increased in periods of geopolitical instability, when external factors, such as

tensions in energy production regions that affect the cost of oil-based raw materials and maritime transport routes, may significantly increase the intensity and duration of fluctuations.

The fourth risk concerns liquidity management during the transition phase, as the estimated maximum financing need, as analyzed in the assumptions in section 6.2.3, creates a period of increased financial pressure during which any unforeseen outflow of funds could worsen liquidity. The fifth risk concerns foreign exchange risk, as the company's operations in multiple currency zones create exposure to foreign exchange fluctuations that may affect consolidated results, addressed through appropriate financial hedging instruments. The sixth risk concerns the timetable for completing the financial restructuring, the successful implementation of which is a critical prerequisite for the implementation of the overall transformation framework.

In summary, the risks that have been identified do not affect the credibility of the proposed transformation, but indicate the necessity of systematic monitoring and prompt corrective action, which is consistent with the literature that emphasizes that effective risk management is an integral element of any sustainable transformational initiative (Burnes, 2017).

6.6. Conclusion

The financial analysis developed in this chapter confirms that the interventions proposed in the transformation framework of Chapter 5 are not simply strategic intentions but translate into measurable and documented financial results. The restructuring of the operating model is reflected in the improvement of profit margins, the restructuring of debt in the consolidation of the balance sheet, and the improvement of the supply chain in the release of working capital, thus creating a clear and direct correspondence between strategic proposal and financial performance. These findings feed into Chapter 7, which formulates the overall conclusions of the study and recommendations for future research.

7. Conclusions

7.1. Introduction

The purpose of this dissertation was to investigate how a company in the secondary packaging industry can effectively respond to conditions of financial pressure and operational inefficiency through a structured framework of strategic renewal and business transformation. To this end, a comprehensive analytical framework was developed that moved from theoretical foundation to application with real data, integrating strategic, operational and financial dimensions. This chapter summarizes the main findings that emerged from this analytical path, highlights the theoretical and practical contribution of the study, recognizes its limitations and formulates suggestions for future research.

7.2. Key findings

The analysis developed in the previous chapters leads to a set of findings that answer the research questions posed in Chapter 1 and compose a comprehensive picture of the conditions and outcomes of a successful transformation.

Starting with the first finding, this concerns the relationship between industry context and strategic choice. As highlighted in Chapter 3, the secondary packaging industry is characterized by intense competitive pressures, cyclical demand and dependence on raw material prices, elements that make operational flexibility and efficient cost management critical survival parameters. Understanding this context proved to be a prerequisite for designing a realistic and applicable transformation framework.

The second finding concerns the need for a comprehensive and multidimensional transformation framework. According to the company's analysis in Chapter 4, operational, financial and strategic weaknesses contributed to the crisis it was experiencing. Thus, as Burnes (2017) and Kotter (1995) suggest, a framework of interventions was necessary, covering strategic, operational, commercial and financial levels at the same time.

The third finding concerns the relationship between strategic proposition and financial performance. As highlighted in Chapter 6, each intervention of the proposed transformation framework translates into measurable financial results, with restructuring the operating model improving margins, restructuring debt consolidating the balance sheet, and improving the supply chain freeing up working capital. This correspondence empirically confirms the academic position that successful transformation requires an inextricable connection between strategic thinking and financial discipline (Kaplan & Norton, *The Balanced Scorecard: Translating Strategy into Action*, 1996).

These findings gain additional weight when examined in the light of the theoretical and practical contribution developed in the next section.

7.3. Theoretical and Practical contribution

The findings presented in the previous section acquire full meaning only when placed in the broader context of the contribution that this dissertation seeks to offer both to theory and practice.

At a theoretical level, the study confirms that the theoretical frameworks examined in Chapter 2, from the Resource and Capability Theory to the Kotter and McKinsey 7S models, maintain their explanatory power even in conditions of deep financial crisis, provided that they are applied in combination and not in isolation. At the same time, the study highlights a dimension that is often neglected in the relevant literature, which is the connection of transformation theory with financial documentation, demonstrating that a transformation framework acquires full academic value only when strategic intentions are accompanied by measurable financial results.

On a practical level, the dissertation offers an applicable framework of reference for industrial companies facing similar challenges. This framework is not limited to diagnosing the problem but extends to designing specific interventions and quantifying the expected results, making it immediately useful for executives who are called upon to make transformational decisions under conditions of uncertainty.

However, the recognition of this contribution cannot be made without the parallel and honest recognition of the limitations that characterize any research effort of this kind.

7.4. Limitations of the study

Despite its analytical methodology, this dissertation contains certain limitations that should be honestly acknowledged, as their understanding is crucial to accurately interpreting the findings.

As the dissertation is based on a case study of a single company, this fact limits the ability to generalize the findings to other organizations or sectors. This is the first and most significant constraint related to the methodological approach. Thus, the resulting findings should be generalized to other situations with the appropriate critical reserve since they represent the unique features of the particular scenario.

Furthermore, the reliance on internal data is the second limitation. Without the opportunity for independent verifications through external sources or audited financial statements, the study was solely relied on data and assumptions supplied by the company for the purpose of this dissertation. This means that the reliability of financial projections depends on the accuracy and objectivity of management's internal assumptions.

The last limitation relates to the company's anonymity, which renders it more difficult for other researchers to compare the results with publicly available data and independently confirm the study's findings.

These limitations, however, do not negate the analytical value of the dissertation. On the contrary, they indicate the directions in which future research could move, as discussed in the next section.

7.5. Recommendations for Future Research

The constraints listed in the previous section are not just drawbacks of the current study, but also opportunities for further research that could deepen and extend its findings.

Extending the research to several cases is one potential direction of study. Examining other companies in the sector that have implemented similar transformation frameworks would

enable a comparative evaluation of the outcomes and the identification of common success or failure factors, substantially enhancing the findings' adaptability.

Another approach may be the monitoring of implementation over time. Future studies could monitor the actual implementation of a comparable framework, evaluating the differences between expected and actual outcomes and identifying the elements that contribute to successful implementation.

A third direction could concern the integration of the human dimension of transformation. This study focused mainly on the strategic, operational and financial dimensions, leaving the human side of change in the background. Thus, future research could examine how organizational changes recommended in a transformative framework impact employee engagement, motivation and performance, a topic that was not thoroughly examined in this study but was emphasized as critical by Burnes (2017) and Kotter (1995).

Overall, this dissertation attempted to demonstrate that corporate transformation is neither an exclusively strategic exercise nor an exclusively financial undertaking, but a multidimensional and interconnected process that requires simultaneous intervention at multiple levels of the organization. Understanding this complexity and the ability to manage it with discipline, consistency and financial documentation is, according to the findings of this study, the most reliable guide to a sustainable and competitive organization.

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Appendix A

Consolidated Profit and Loss Overview (Pre-Restructuring)

	2023	2024	2025 (estimate)
Revenues	358,20	331,32	216,78
Cost of Sales	(267,90)	(254,76)	(166,46)
Gross Margin (%)	25,21%	23,11%	23,21%
Operating Expenses (OPEX)	(59,26)	(51,13)	(45,66)
EBITDA	6,81	(2,04)	(9,96)
EBITDA Margin (%)	1,90%	(0,62%)	(4,59%)

Note: The table presents consolidated figures derived from available internal information and management estimates. The 2025 figures include partially realized results and assumptions. The data are used exclusively for diagnostic purposes and do not represent final audited financial statements

Appendix B Projected Financial Statements

Appendix B1. Projected Income Statement

<i>(All figures in €millions)</i>	2025	2026	2027	2028	2029
Revenues	216,78	302,00	334,62	360,15	383,38
Cost of Sales	(166,46)	(214,70)	(238,27)	(255,65)	(271,76)
Gross margin (I)	50,32	87,29	96,35	104,50	111,62
Transportation expenses	(8,41)	(12,52)	(13,65)	(14,87)	(15,8)
Operating & other expenses	(45,31)	(41,34)	(43,38)	(45,00)	(46,23)
Operating EBITDA	(3,40)	33,43	39,33	44,64	49,58
Non-recurring expenses	(6,55)	-	-	-	-
EBITDA	(9,96)	33,43	39,33	44,64	49,58
Depreciation	(16,41)	(14,06)	(13,12)	(13,10)	(13,73)
EBIT	(26,37)	19,37	26,21	31,54	35,85
Interest income/expense	(17,37)	(4,72)	(4,28)	(3,85)	(3,55)
Interest expense (Non-Participating Lenders' Loan)	(0,50)	(0,48)	(0,45)	(0,43)	(0,40)
Advisory fees	(4,13)	-	-	-	-
EBT	(48,36)	14,17	21,48	27,25	31,90
Income tax	(2,43)	(2,43)	(2,43)	(7,88)	(8,96)
EAT	(50,80)	11,74	19,04	19,36	22,93
Gross margin (I) %	23,21	28,91	28,79	29,02	29,11
EBITDA margin %	(4,59)	11,07	11,75	12,39	12,93

Source: Internal management data. Used exclusively for analytical purposes.

Appendix B2. Projected Balance Sheet

<i>(All figures in €millions)</i>	2025	2026	2027	2028	2029
Tangible assets	116,22	105,36	96,67	88,69	81,83
Intangible assets	123,32	123,43	123,74	124,84	126,12
Fixed assets	239,54	228,78	220,42	213,53	207,96
Cash	7,78	7,78	7,78	7,78	7,78
Marketable securities	0,23	0,23	0,23	0,23	0,23
Receivables	63,31	81,91	77,56	83,48	88,86
Inventory	56,06	64,50	49,19	52,77	56,09
Current assets	127,38	154,42	134,76	144,26	152,96
Total assets	366,92	383,20	355,18	357,79	360,92
Payables	21,45	35,47	33,82	36,28	38,56
Dividend payable	0,42	-	-	-	-
Taxes payable	2,43	2,43	2,43	7,88	8,96
Other short-term liabilities	16,90	16,90	16,90	16,90	16,90
Other current provisions	8,80	3,49	3,49	3,49	3,49
Current liabilities	50,00	58,30	56,64	64,55	67,91
Other long-term liabilities	13,42	13,42	13,42	13,42	13,42
Government grants	4,85	4,25	3,65	3,05	2,46
Long term liabilities	18,27	17,67	17,07	16,47	15,88
Participating & non-participating loans 2024	(0,45)	(0,30)	(0,19)	(0,09)	(0,07)
New bank overdraft	4,93	2,48	-	-	-
Participating loans	242,81	121,24	79,38	55,84	33,93
Non-participating loans	11,02	10,49	9,91	9,28	8,60
Debt	258,31	133,91	89,09	65,03	42,46
Total Liabilities	326,57	209,87	162,81	146,05	126,25
Share capital	202,23	324,06	209,83	210,80	210,80
Profit (loss) previous periods	(163,02)	(151,86)	(18,60)	(0,20)	22,73
Total owners' equity	39,22	172,19	191,24	210,60	233,54
Minority interests	1,13	1,13	1,13	1,13	1,13
Total liabilities & equity	366,92	383,20	355,18	357,79	360,92

Source: Internal management data. Used exclusively for analytical purposes.

Appendix B3. Projected Cash Flow Statement

<i>(All figures in €millions)</i>	2025	2026	2027	2028	2029
EBITDA	(9,96)	33,43	39,33	44,64	49,58
Working Capital Changes	19,91	(18,33)	18,00	(7,04)	(6,42)
Taxes Paid	(2,03)	(2,43)	(2,43)	(2,43)	(7,88)
<i>Net Cash Flows from Operating Activities</i>	7,92	12,67	54,90	35,17	35,28
Capital Expenditures (CAPEX)	(6,07)	(3,89)	(5,35)	(6,81)	(8,76)
<i>Net Cash Flows from Investing Activities</i>	(6,07)	(3,89)	(5,35)	(6,81)	(8,76)
Financial Expenses & Other Financing Costs	(3,94)	(5,46)	(4,63)	(4,19)	(3,93)
Net Change in Borrowings	4,40	(124,56)	(44,92)	(24,17)	(22,59)
Share Capital Increase		121,24			
Other Restructuring Adjustments	(3,60)				
<i>Net Cash Flows from Financing Activities</i>	(3,14)	(8,78)	(49,55)	(28,36)	(26,52)
<i>Net Change in Cash</i>	(1,29)				
Cash at Beginning of Period	9,08	7,78	7,78	7,78	7,78
Cash at End of Period	7,78	7,78	7,78	7,78	7,78

Source: Internal management data. Used exclusively for analytical purposes.

Appendix B4. Financial ratios

1. Profitability Ratios

		2025	2026	2027	2028	2029
Gross Profit Margin	Gross Profit / Revenue	23,21%	28,91%	28,79%	29,02%	29,11%
Operating EBITDA Margin	Operating EBITDA / Revenue	-1,57%	11,07%	11,75%	12,39%	12,93%
Return on Equity (ROE)	Net Income / Average Equity		11,11%	10,48%	9,64%	10,33%

Note: 2025 ROE is not meaningful due to exceptionally low opening equity levels during the restructuring period.

2. Leverage Ratios

		2025	2026	2027	2028	2029
Debt to Equity	Total Debt / Equity	6,59x	0,78x	0,47x	0,31x	0,18x
Times Interest Earned	EBIT / Interest Expense		3,73x	5,54x	7,35x	9,07x

3. Liquidity Ratios

		2025	2026	2027	2028	2029
Current Ratio	Current Assets / Current Liabilities	2,55x	2,65x	2,38x	2,23x	2,25x