



INTERVIEW

SEIZING OPPORTUNITIES: HOW TO SUCCEED IN A CHANGING BUSINESS ENVIRONMENT

BOGDAN FRATILA, COUNTRY MANAGING PARTNER of Rödl & Partner Romania

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1 ■ Rödl & Partner started in Romania as a consultancy partner for German companies that opened operations in the country. What is your position now and what do you think contributed most to its success in Romania?

Rödl & Partner remained true to its goal and continued to strengthen its position as the agile caring partner for Mittelstand shaped world market leaders, with the essential contribution and top performances of our interdisciplinary teams, who are closely working together and pulling in the same direction.

Our key to success is the uniqueness of our own profile, a multidisciplinary international firm who particularly identifies with the concerns and requirements of German family-owned companies with worldwide operations. So what mainly contributed to the success in Romania is a proper client profiling, a well-defined target market and a clear focus on the business niche, combined with the Rödl & Partner's commitment to highly quality services. In the Romanian market, where over 10% of foreign companies are German companies and taking into consideration the development potential between the two countries, we strategically positioned our offices in major business areas (Bucharest, Cluj, Sibiu, Timisoara), in order to facilitate the prompt access to our services and keep close to our German clients.

We also understood the importance of being acknowledged as a reliable partner for all our professional services, such as legal, tax, audit, accounting and payroll, as well as for being excellently positioned with each individual service line. Based on this and using our multidisciplinary skills, we guarantee to our clients added value from the combination of the services we provide. This removes the need for our clients to coordinate a number of service providers and manage different communication interfaces within their firm.

2 ■ Taking into consideration the ever-changing legislation in Romania, how difficult is it for a foreign company to

adapt to local business practices? What is your role in making this process as smooth as possible?

Indeed, the pace of changes in the Romanian legislation confronts foreign companies with a multitude of business challenges in the process of adapting to the local practices. Any new changes of laws and regulations which are occurring with increasing frequency translate into more complex requirements for the consultancy field and the need for a higher level of specialisation than ever requested before.

That's why we do not only offer advisory services. We do provide clients with solutions and support during the implementation process. In such an unpredictable market, special knowledge of the country and a coherent vision is required in order to capitalize on the fiscal measures. In particular, a competent partner on the ground is the only way companies can meet the local requirements.

Our role is to allow the entrepreneurs to fully concentrate on their core business and to maximise profits through increasing efficiency and a leaner process, while trusting us to comprehensively manage these challenges and act across borders as a real "caring partner". Our purpose is to deliver value for our clients and make their processes easier through a balanced combination between professional know-how and skillsets, sustained by an in-depth understanding of the German regulatory background and local expertise.

3 ■ In light of the signs of a slowing economy and the real possibility of an incoming economic crisis, what are, in your opinion, the perspectives for local and regional businesses? How is your company positioned in this respect?

Given that economic growth is slowing and the Romanian budget had gone from bad to even worse, we can suspect that the country is heading towards a very difficult period. The future of the Romanian economy, since the government policies have created economic vulnerabilities, weaken the local and regional businesses' perspectives over the medium and long term.

Moreover, Romania is entering an election period, with upcoming presidential elections in November 2019 and local and parliamentary elections in 2020. So, our concern is that the deficit will increase slightly while the pressures on country's budget will continue to persist.

According to the statistics from the Trade Registry, over 62,000 companies were closed down in Romania during the first quarter of 2019, by 75 % more than in January-May 2018. This should definitely be a warning for the economic future of the country, especially because we speak about companies activating in areas with extensive development potential, such as trade and manufacturing.

In this view, micro-enterprises and small local and regional firms without financial strength may be unable to face such challenge and many might choose to give up on their business, if we refer to the pattern seen ten years ago during the economic crisis.

Nevertheless, Rödl & Partner is constantly and carefully monitoring market trends, anticipating forecasts and dedicating expert efforts to prevent impact and mitigate risks for our clients' businesses. Our firm has a focus on risk management and is well positioned to support clients and their current needs.

4. What are your goals for 2020 and what will be the main challenges for the next 3 to 5 years? Do you have any specific plans to address these challenges?

In 2020, our plan is to achieve new business goals, to consolidate the company's evolution and welcome change. Our main goals include strengthening the business relationship with our clients, exploring new frontiers, broaden our opportunities by developing new service lines and, last but not least, growing our team, encourage and empower every member to become valuable contributors to the overarching business goal.

One of the main challenges will be to adapt to the technological change and embrace digitalization transformation to maximize the efficiency of both types of resources, human and tech. As the strategic role of technology in any organization increased from

simple assistance to driving effectiveness, a comprehensive understanding of the technology trend it's a must for companies. So, our plan is first to develop the technical skills and tech expertise among our staff, in order to be able to properly advise their teams and sharing know-how throughout the entire organization.

Another challenge is still and will continue to be attracting and retaining top talent. Our main focus is directed to our colleagues, so we try to maintain a strong company culture and make our organization model attractive by constantly measuring and improving our "people metrics".

5. What are the most innovative services that you are offering and what are your plans for the following years (in terms of innovation)? Can you name one which you think will disrupt your field of operation?

In addition to our core services for which we have proven ourselves outstandingly and received full recognition over the years, we must continue to expand and constantly develop other strengths, especially for our top clients. Risk and compliance management is an area where innovative services and technology solutions extend beyond classic consulting and can secure the long-term success of our clients' businesses, when the internal control has failed. Interdisciplinary skillset can be a decisive advantage, so together with all our international cross-border service lines, we plan to advise our clients on how they can build a global structure in accordance with the law, to discover and overcome their weaknesses.

Innovation in being ahead of market trends, in a world increasingly shaped by IT. For this reason we invested so much effort in this whole area of digitalization. Therefore, our plan is to keep up with the evolution and implement safeguarding digital solutions for the benefit of increasing the efficiency for our clients and also for our work.

I certainly don't think that broadening our services portfolio will disrupt our field of operation. Instead, I really believe that investing in digitalization today

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will successfully push Rödl & Partner forward and help shape our future.

6 ■ What is the most valuable lesson you, as head of a leading company in Romania, have learned throughout 2019? Based on this, what will be the best advice you can give to people working with you?

Well, I've learned that if you want to continue growing in this disruptive business environment you need to stay open to new ideas, embrace changes and expose yourself to a multitude of businesses challenges. We must be flexible, proactive, focus on quality, stay unique and keep creating new opportunities for our development. Building a perfect environment and approach to a balanced and collaborative team is as well one of the most important business lesson.

My colleagues, the professionals I work with, know that they can individually achieve anything and everything in a way that better serves the interests and our clients' needs. However, teamwork and cross-border cooperation is a critical proficiency for us in order to successfully accomplish a common goal. That would be my advice to them, to keep working together, closely interlinked across all service lines and leverage the diversity of skillsets, expertise and knowledge transfer.

7 ■ What is the most important aspect businesses should pay attention to in 2020? What are you doing to address it?

Business leaders should pay attention to the latest industry trends, find smarter and quicker ways to complete projects and become more efficient. The

world evolves and so do our businesses, but we can be ahead of the curve if we take time to develop and implement new innovative ideas.

As stressed before, automated technologies and the artificial intelligence shall be perceived as co-workers, not as a replacement for the employees, that can simplify intensive processes, so clients are better served. Technology can really help businesses improve the client experience. As 5G networks will likely extend around the world in 2020, this might change the way we interact, the communication is going to be far more instantaneous. We can use these opportunities to make it as easier as possible for your clients to engage us and increase work cooperation.

Another trend that has spread and should be considered in the following years is flexible and remote work. In order to create a productive work environment, companies should allow their employees to benefit from a flexible working program by giving them the possibility to work from home at least a few days a month, if the field of activity does not allow to provide more. If you want to be a competitive employer, you have to rethink strategies and focus on employee engagement and happiness. This is something we have recently implemented in our firm and had a really positive impact.

As a conclusion, the guidelines with which we move forward in 2020 will maintain the importance of technology and innovation in the consolidation process of every business.