

Romanian Law Firm Voicu & Filipescu Cuts Legal Positions and Staff

Voicu & Filipescu takes proactive measures to the downturn following a thorough assessment of the market and its business in the first quarter of 2009.

May 1, 2009, Bucharest – After weeks of dialogue and deliberation by the management, Voicu & Filipescu decided to respond to the downturn with redundancies and to rethink the remuneration structure.

As in most European countries, the Romanian legal market has not yet seen the mass redundancies faced by the US or UK. That is partially because the effects of the downturn are not as visible as in other parts of the world. Nonetheless, recent months have shown increasing pressure from clients on reducing the fees. Also, the considerable changes in the structure of legal demands have definitely impacted the local market in terms of cutting costs.

The first quarter of this year was under careful scrutiny by Voicu & Filipescu's managing board. Analyses have shown that a rigorous management of cash flows could work for a while, still it is not enough to ensure long term success for the firm. The firm has decided not to wait for negative impacts to occur, but instead to take proactive measures in view of the downturn. Thus, a restructuring programme will be implemented as of May, including redundancies, remuneration cut downs and changes in the practice groups' structure.

Redundancies account for approximately 6% of the firm and refer to both lawyers and staff. "We are sorry to be put in the position of having to let people go. We do believe this is the only way for the firm to maintain its market position on a long run and we regret that this will have a negative impact on some very talented people", said Mugur Filipescu – one of the firm's founders and managing partners.

"We regret having to make such tough decisions, but difficult times call for difficult choices. Everyone in the firm is affected by these changes to some extent. We will do our best to keep people motivated, so that to ensure that we go on providing high quality services", said Daniel Voicu – one of firm's founders and managing partners.

With changes continuing to affect the economy, this hands-on action plan is part of the firm's overall crisis strategy, based on rational decision making and focused on action rather than reaction. Other measures include customized client relationship management approaches and regular activity assessments aimed at maintaining high efficiency levels.

About Voicu & Filipescu

Voicu & Filipescu is one of the top law firms in Romania in terms of turnover and number of lawyers. The firm was established in 2001 by Daniel Voicu and Mugur Filipescu, by the acquisition of the local office of the international law firm Arent Fox Kitner Plotkin & Kahn L.L.P. (up to present, the two are still the only Romanian lawyers ever to acquire the local office of an international law firm).

In 2006 two new partners were added, followed by other four in 2008 and two more in 2009. In 2008 Voicu & Filipescu took over 13 lawyers from the team of former Romanian law firm Stefanica, Dutu & Partners, and in 2009 it integrated the tax and accountancy consultancy company Steuer & Buchhaltung Partners S.R.L.

In its current structure, Voicu & Filipescu has 65 lawyers, tax advisers and staff members, run by 10 partners.

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