

# When Things Go Bad, the Reason Is Always on the Top

Fil Filipov, one of the most successful Bulgarian businessmen around the world, to Bloomberg TV Bulgaria

"I am very good in bad time", says Fil Filipov, one of the most successful Bulgarians around the world and among the best rescuers of struggling companies (nearly 50 so far). Born in Plovdiv in 1946 and fled from communist Bulgaria at the age of 17, today Filipov is the owner of Atlas Cranes & Excavators and of several other companies in different parts of the world. He also finances new startups and consults a number of companies. He talked with Tanya Krusteva for Bloomberg TV Bulgaria's Business Meeting show.

"I have already been an immigrant for 55 years, and we know that immigration is not easy", he said. "I have achieved what I have achieved and continue to do it with my hands and without big diplomas and with a lot of hard work..."

**Mr. Filipov, how do you assess whether an enterprise can be put back on its feet? And how do you detect the pain?**

Well, the pain is detected in a hurry. In 95% of the companies that are in bankruptcy it is always the management that is bad... And I almost always know where to start. I do not start from below as most do in case of restructuring, I start from above, from the big bosses with the big cars, with the big salaries. Everyone knows that I get up early and I'm in the factory where the people are and not at the big desks. I have no briefings lasting for more than 29 minutes, because after that we begin to repeat. So, my style is very unusual.

**What are the measures you take first when you enter an enterprise?**

To improve quality, because quality is the most important thing in a product that is manufactured. The other thing is that in many cases in the companies there are very strong trade unions. And they can only exist where there are weak managers. I'm rather a "benevolent dictator". Saving an enterprise takes very fast actions. Out of 49 companies I have bought in 15 countries, I haven't been able to put back on their feet only two companies. In both of them the product was not good and it had no future.

**You mentioned the trade unions. How do you deal with internal resistance by the trade unions as well as by the employees of the company?**

Well, I honestly tell you that I can work with trade unions, but I will never work for trade unions. It immediately becomes clear that we will either work together or we will work against each other. Strikes in my companies are not something awkward, they are not things that do not happen. The last one was 6 or 7 years ago in Germany for 6 weeks. However, the Germans are disciplined people, with a lot of quality and with great accuracy.

The other thing that people should know is that I do not go there to be loved. If I wanted to be loved, I should buy a dog. I'm there to fix the things and to do something that's beneficial for the companies. Quick and difficult decisions need to be taken. The French say that you cannot make an omelet without breaking eggs. The biggest mistake is to be waiting and not to take decisions quickly.

**What are the most difficult decisions in management?**

When there is a lot of bureaucracy in a company, especially if there is a corporation, a holding. I have not seen bad workers in 15 countries, but I have seen bad executives and managers in 45 companies. So, the resistance comes from the high level, it does not come from below. The first thing that is difficult is to decide quickly which of the big bosses shall be laid off. But there is no



other way to heal something that does not work.

And what are the qualities of a good manager? To be constantly open, not to be permanently closed in his or her office, to go early to work, to listen and see what the clients want. There are no other qualities that can help a company than accuracy, discipline and quality.

**In which countries is it the easiest for you to work?**

I only engage myself, if an enterprise is really in a bad shape. The easiest country to do business is Germany. The Germans do not interfere in the business, I am talking about the politicians. There are very strong trade unions, but once it is understood what has to be done, they are disciplined in this. Nine years ago I bought Atlas. Recently we celebrated the 100th anniversary of the company's foundation. When I bought it, it had been losing two million and a half euro per month. It had not paid taxes for 25 years. It had 850 employees. In less than two years it was already back on its feet, and it has been making a profit since then.

When I enter a company, I can cut many of the big bosses but I never lower the wages of the workers, I never take anything they have had. In France, the yellow vests want more social measures and I agree with this because in every company there must be something that is social and that motivates the people to work and not to put more and more bosses and a large administration.

**Do you have investments in Bulgaria?**

We have investments in Bulgaria, in Plovdiv. Minimal investment but from a logistical point of view and from a product point of view it's not something big.

**You travel a lot and you have business in many countries. What is the reputation of Bulgaria in the business circles you are in? Has it changed over the years?**

It's hard for me to say that. My impression of Bulgaria is that it is making progress. We are proud people. Two million Bulgarians are abroad already. In Chicago there should be already about 150,000 Bulgarians. The only thing I can say as a kind of recommendation to the Bulgarian business is to learn to be a little bit more accurate, to be of a higher quality. Because we know how to do everything, but when we do it three times, we spoil it.

**What is the most valuable business advice you have received?**

The most valuable advice is to avoid banks. They give you an umbrella, but when it starts to rain they take it away. I'm glad that I do not work with banks and that's the reason why I can act very quickly without having to ask anyone. ■