How Region and City reputation can be an added value in an internationalization project

FRANCESCO ALTIERI – BUSINESS DEVELOPMENT MANAGER

BRUSSELS, OCTOBER 11TH, 2018
About us

Proges, a “social cooperative”, is a national leader in the fields of elderly care and education (0/6 years and, starting from September 2018, primary school and secondary school).

Proges, founded in Parma 25 years ago, operates in strict collaboration with Public Entities by means of project financing and public-private companies.

Proges Social Cooperatives employs more than 3,000 people, reaching and providing its services to more than 10,000 Italian families every day.

Proges is active in 10 Italian regions, with a special focus on Milan, Turin, Trento, Bari, Piacenza and Parma. Recently we’ve launched an expansion plan abroad: Brussels, Moscow and China.
The role of Social Enterprises for Territorial Innovation

Our goal is to present the potential of Social Enterprises as an exporter of the values and skills of a Territorial welfare system.

- The Italian Social Enterprise is born and grows in a welfare system where resources, objectives and legislative constraints are determined by public actors.
- For this reason, its business model, even when oriented towards the private market, is made up of defined rules, a universalistic welfare system and a shared reading of social needs. Public and private together have built the local welfare system.

With a poor capital in the economic sense, the value of the Social Enterprise is made of professional skills, ideas and managerial ability to maintain a balance between economic sustainability and quality of service.
The role of Social Enterprises for Territorial Promotion

Thanks to these assumptions and the experience gained over the years, today the Social Enterprise is able to model services, to export them in different contexts. Exporting services also means exporting the history and culture of the cities and regions, the reputation (brand?) of the territory to which they belong. Proges has focused on the promotion of its know-how and its brand but has also been able to enhance the tradition and reputation of its own territory. Emilia Romagna and Parma are known worldwide for the excellent level of health and education services and for the quality of life.

Parma is a real brand abroad. For example, the penetration of the brand "Parma" in China is equal to that of Versace! 😊

(fonte: Nomisma)
Why is China looking at Italy?

Italy is one of the “most elderly” countries in the world together with Japan.

The Italian health system is today considered one of the most efficient in the world (4 in the world ranking according to Bloomberg).

Italy has thus developed know-how in the field of elderly care.

Italy and China have very ancient relationships. We share the humanistic approach to problems and a strong feeling towards the elderly.
Ageing and Health

Populations are getting older

Percentage aged 60 years or older:
- 30% or more
- 10 to <30%
- <10%

2020

World Health Organization
Populations are getting older

Percentage aged 60 years or older:
- 30% or more
- 10 to < 30%
- 10 to < 30%
- <10%

2040

World Health Organization
Why is Proges looking at China?

China will enter the aging society in the next few years. China will increase its elderly population:
- in 2040 the elderly population will double (300 million);
- in 2050 there will be 500 million.

It is therefore normal that China is studying efficient and sustainable systems to assist the elderly and support partnerships with foreign companies.
中国老年人口数量在本世纪中将持续增长。
PROGES INTERNATIONAL - HONG KONG, WAS ESTABLISHED IN NOVEMBER 2017 TOGETHER WITH THE CHINESE PROVIDER MAYLINK AS A BUSINESS VEHICLE TO OPERATE IN A EASIER AND EFFECTIVE WAY IN THE CHINESE REPUBLIC.
After 2 years of studies, researches and negotiations we have recently closed an important Joint Venture (JV) between PROGES INTERNATIONAL Ltd. (30%) and RAYMOND GROUP HOLDING (70%), a Real Estate Company from Ningbo.

The purpose of this JV is to create and manage elderly care services such as: care-homes, assisted apartments for independent living and home-care services. The first business will consist of building and managing of a Care Home in Ningbo for 400 seniors. Starting: 2020

The 30% share capital of the JV owned by Proges is due to the know-how and brand contribution: it is the demonstration of the value of reputation (know-how+brand)
Main strengths: market growth fast; an expert local partner

Main weaknesses: unclear laws; family traditions hard to change

What assets/achievements will remain from this action? the possibility we have of being among the first to start

Major lessons learned: when wealth is low, good ideas and innovation can meet good investors