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Olivier Dessajan, China director of Groupe Colisee, the fourth-largest European provider of elderly care facilities and solutions, shares the group's expansion into China with two medical nursing homes in Guangzhou and Shenzhen in collaboration with state-owned China Merchants Group; the importance of quality care for elderly people with neurodegenerative conditions; the differences in elderly care in China and Western Europe; and his vision for the company's rapid growth in the next few years.

Olivier, could you start by introducing Group Colisee and your joint venture here in China with China Merchant Group?

Groupe ColisÃ©e is a French company that is a leader in aged care facilities in continental Europe, specifically in five countries: France, Italy, Spain, Belgium and Germany, where we have a total of 270 facilities. Add to that the two that we have here in China, in Guangzhou and Shenzhen, and we operate a total of 272 medical nursing facilities globally.

We have four types of businesses. The first is the classic medical nursing home, which offers both hospitality services as a residence and also medical services and care, and here we have a focus on people with neurodegenerative diseases like Parkinson's and Alzheimer's. The idea is to provide what we call a "home plus medical solution" offering, targeted at people in the final stages of the disease, where it has become impossible for them to stay at home.

We want to be very clear: for elderly people with neurodegenerative conditions, staying at home offers them the best quality of life. The current medical literature on Alzheimer's suggests that if you want to prevent or slow down disease progression, you need to keep the patient mentally, socially and physically stimulated, along with regular doctor supervision. The best place for all that is the patient's home environment. Medical nursing homes are only a good solution for those patients whose disease has advanced so far that they are no longer able to stay at home, for instance, because the burden on the family has grown too big or because they are developing some violent tendencies.

Secondly, we offer rehabilitation clinics for patients that may need time to recover from conditions like a stroke or a heart attack. These sit somewhere between the hospital and the home and are quite common in European countries like Spain or the UK, but at the moment, such clinics do not really exist in China. Chinese patients either stay at the hospital or they return home.

Thirdly, we also offer homecare solutions and services like nursing agencies. Lastly, we also manage and operate senior apartments, a type of community housing solutions for elderly people.

In 2013, we signed our joint venture agreement with China Merchant Group, which is a very established name in China. They operate across three sectors: real estate, banking and financial solutions, and transportation and logistics, and rank amongst the top 20 state-owned companies in China. The joint venture was developed to build and manage medical nursing homes in China. We opened our first two nursing homes in 2018, one in Guangzhou with 132 beds and one in Shenzhen with 75 beds, and after less than a year, we already have nearly 100 patients (in both nursing homes), nearly full capacity in Shenzhen, which is very positive.

What expertise in this area can Colisee bring to China?

As you can see, across our four businesses, we offer all the solutions an elderly person could possibly need. In China, our medical nursing homes are not just a five-star hotel, an international clinic or an elderly club - they are everything, offering tailored and important services for elderly people, particularly those with neurodegenerative diseases like Alzheimer's and Parkinson's. We are taking a well-established international model of elderly care and bringing it into China, where there is a great need for such elderly care.

Already, many of our clients and their families have seen significant results. They sometimes tell us we are making miracles! But we are not magicians, we are just focusing on offering the best level of care for such elderly people, and we are seeing results. Geriatric medicine is extremely complex because it actually combines 10 to 15 different medical disciplines! Usually, elderly people have multiple conditions and issues that you cannot treat in isolation.

For instance, our first resident in our Shenzhen facility is from a very rich family in Shanghai. She went to the best doctors and hospitals in Shanghai and she had a whole host of problems with her diabetic foot, her heart and memory loss. When she came to our facility, our doctors assessed that very quick action was taken, she might lose her leg, and if that happened, the massive shock it would put on her system might cause a heart attack in the next few months! We put her under close supervision, we have senior French doctors that visit the home every month to check all the patients alongside the full-time Chinese doctors, and we reviewed all her medicines as well as socialization activities. The result? Today, she still has her legs and she is walking again, at 93 years old! This was not a miracle but simply the result of excellent care, innovative non-drug therapies and attention.

Within the European elderly care market, it is the private French players that dominate. This is partially a result of strong government support as well as strict government regulations in terms of standards, which ensure that we offer high-quality services. We are also able to sell our assets and then operate as tenants, which gives us the opportunity to build many more facilities. Finally, after the French market became saturated, we were pushed to expand internationally.

In addition to that background, I also want to highlight my involvement with the French Healthcare Alliance in China because our work here is not simply as the operator of two medical nursing homes but also the collective accomplishment of a team of many French companies entering China. We have at least 20 French companies providing the different solutions we use in our facilities, from the psychometric evaluations, the training, and also the Montessori for elderly people approach, to the furniture and the equipment, and even our legal counsel. All of us care about the model of elderly care we are bringing to China, which really demonstrates the strength of the French silver economy. This is important to stress because sometimes it may seem easier to cut costs by procuring from local suppliers but it is not about individual suppliers, it is the strength and cohesion of the whole model that contributes to our success.

Colisee is a market leader in continental Europe. What made the company decide to expand into China?

Chinese society is growing old before it grows rich. There is a huge unmet need here, while the social security, regulation and administration systems are not quite ready for the development of the elderly care segment

First and foremost, the original founder of the company, M. Patrick Teycheney, is passionate about China. He visited around 15 years ago as the first French person from this sector to visit China, he fell in love with the country, and he has dreamt about entering the elderly care sector in China since then. However, at that time, the company was still too small to invest directly, and in any case, the Chinese market is extremely complicated so there is a need for a strong local partner, especially in this sector.

Secondly, the company today is also driven by the sheer need in China. As I am sure you have heard, Chinese society is growing old before it grows rich. There is a huge unmet need here, while the social security, regulation and administration systems are not quite ready for the development of the elderly care segment. At the same time, many families still cannot afford the solutions we can deliver. This is also important to highlight. Yes, there will be a vast number of elderly people in China – an estimated 400 million by 2050 – which seems like a great market opportunity, but we have to remember that China is still an emerging market, so only a small number of that 400 million could be potential customers right now.

Looking at the elderly care space, how does China differ from European markets? How did you have to adapt the European model to fit the needs of the Chinese market?

20 years ago, China's average life expectancy hovered at around 60 years old. At 60 years of age, people have a less than 1 percent chance of developing neurodegenerative diseases. Understandably, very little elderly care infrastructure or even awareness has been developed in this country.

Our biggest challenge at the moment is to educate the market that we offer solutions that genuinely change the quality of life of elderly people. As mentioned before, right now in China, people can choose only from the hospital or the home. The common attitude we see in China is, when you are sick, either you are in the hospital, or you are at home, taking medicine and "resting" in bed. Of course, if you have a condition like Alzheimer's, if you simply "rest" in bed and watch TV all day, your disease will progress rapidly! But the public understanding of Alzheimer's and other neurodegenerative diseases is still limited.

A second challenge is with regulation. The aging society is a major national priority, especially in the Healthy China 2030 strategy, but the regulatory framework is rather complicated. Firstly, the elderly care or medical nursing home segment is being managed by two Ministries, the National Health Commission (NHC), which oversees healthcare, and the Ministry of Civil Affairs, which oversees elderly people. This means that we need to receive two operating licenses, one from each. Many requirements also differ from European markets. For instance, if we want to build and run a geriatric hospital here, we need to hire six permanent doctors and have a radiology department, which are very resource-intensive requirements. As mentioned, such elderly care facilities are very new to China so the regulations are not very suited for this area. The issue is that Chinese regulations are not aligned with the French operation model and foreign regulations, but rather that they are not aligned with any global regulations for elderly care because Colisee's model is the same as the other models in the rest of the world!

Finally, there were some cultural practices that took us by surprise. For instance, we did not realize that in China, when one spouse develops Alzheimer's, it is common practice for the couple to enter the nursing home together! This does not happen in France, Spain or the UK. This means we need to build double bedrooms instead of only offering single bedrooms! Now, in our Shenzhen nursing home, a third of the rooms are double bedrooms. We were also initially shocked by the impact of the nursing homes' aesthetics. For us, the value of our nursing homes is really the quality of care delivered, not the fancy furniture or equipment, and this is what we try to emphasize in our promotional materials or introductions. But in China, it seems that what gets the most attention is nice-looking beds and furnishings. We have received over 100 Chinese delegations in our French facilities and consistently, they seem to take pictures of all the beautiful furnishings!

In terms of the education and cultural attitudes towards Alzheimer's and more broadly, elderly care, how long do you think it will take for them to develop?

This is a question of generations. The way I see it, China's attitudes towards elderly care now are similar to what France had 20 or 30 years ago, which is what we called "hospice care" where the patient goes to spend the end of his life. Today, while the quality of nursing homes in European countries can definitely still be improved, what is critical is that they all emphasize quality of life.

We strongly believe that even if a patient is in the final stages of Alzheimer's, which means that they do not have any memories and they often cannot communicate or perform everyday tasks, they still have the right to enjoy their lives to whatever extent they can. Take a one- or two-year old child, who also cannot walk or write, but we do not therefore just leave the child in front of the TV. The same principle applies to the elderly. At every stage of life, we have different levels of potential, and we should maximize that potential at every stage.

Something that is also very important to understand is that it is not technology that will help them maximize that potential but the right kind and quality of care. I have been to some newly opened nursing homes in China and they tend to promote the high-tech solutions and equipment they offer, with TV screens in the room and so on. But this is exactly the opposite of what such elderly people need: socialization, physical activity and communal activities! I hope we can promote more awareness of the needs of elderly people through our work.

On a more personal note, running a business in China is not easy, much less running a joint venture with a state-owned Chinese enterprise! How have you grown personally as an executive in the past few years?

To be very frank, working in China is challenging. I started to work seven days a week and gradually to lengthen my work day from 6.30 am to 11.30 pm. There are certainly many challenges when it comes to working in China like the bureaucracy. However, every time I enter our nursing homes and I see the elderly people living there with big smiles and a lot of gratitude for the quality of life we can provide them, I am reminded of the reason I took this job. Working in the healthcare space is really a different kind of job. I find what we are doing here extremely meaningful.

It is also a great privilege to work in China. They say that working in China as an executive leader and a general manager is much better than doing an MBA. I did an EMBA where I spent a few months in different countries like Japan and Canada, and honestly, I feel that I learnt a lot more in my first two months with China Merchants-Colisee! The country is emerging and it seems like everything is possible. We have the opportunity to build many things from the ground. In Europe, the environment is much more mature. It is not as easy to build something new.

But to do that, you have to be willing to grow as a person. I have started to do a lot of yoga, swimming and also reading about Chinese culture, to grow as a person. To succeed in China, you have to first become stronger, understand your own motivations and be strongly committed to the project. You need to understand how China is complicated and different and permanently retain the humility to adapt to China.

Your vision for China Merchants-Colisee?

Colisee has spent ten years in the country and we believe we have established a good foundation. Together with our JV partner, we are now developing a stronger and better platform to provide holistic and comprehensive elderly care solutions and homes to meet the need of the Chinese markets.

We want to bring more comprehensive and international solutions for elderly people to China. For instance, in some countries, you have so-called "elderly care cities", where you have all the different types of facilities that elderly people will need, from the clinics to the nursing homes to the elderly homes, all in one area, together with amenities like restaurants, shopping centers and so on.

This is important because land and real estate are so expensive in China that you need the scale and variety of options to finance large-scale projects and to breakeven.

This is a very exciting direction for Colisee and its Chinese joint venture to take in the next few years, and we expect growth to take off rapidly in the next few years!

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